

# **Michigan County Road Commission Self-Insurance Pool**

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**Comprehensive Annual Financial Report  
For the Fiscal Year Ended March 31, 2008**

Prepared by:

Frederick L. Haring, Administrator

Gayle A. Pratt, Assistant Administrator and  
Director of Finance

# Table of Contents

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# **Michigan County Road Commission Self-Insurance Pool**

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## **Contents**

### **Introductory Section**

<b>Letter of Transmittal</b>	<b>i-v</b>
<b>Certificate of Achievement for Excellence in Financial Reporting</b>	<b>vi</b>
<b>Organizational Chart</b>	<b>vii</b>
<b>List of Officers and Staff</b>	<b>viii</b>

### **Financial Section**

<b>Report Letter</b>	<b>1-2</b>
<b>Management's Discussion and Analysis</b>	<b>3-7</b>
<b>Basic Financial Statements</b>	
Statement of Net Assets	8
Statement of Revenue, Expenses, and Changes in Net Assets	9
Statement of Cash Flows	10-11
Notes to Financial Statements	12-23
<b>Required Supplemental Information</b>	
Schedule of Claims Information for All Lines of Coverages - Fiscal Year Ended March 31, 2008	24-25
Reconciliation of Claims Liabilities by Type of Contract	26-27
<b>Other Supplemental Information</b>	
Schedule of Changes in Net Assets by Policy Year for All Open Years from April 1, 1995 Through March 31, 2008	28-29

# **Michigan County Road Commission Self-Insurance Pool**

## **Contents (Continued)**

### **Financial Section (Continued)**

#### **Other Supplemental Information (Continued)**

Schedule of Changes in Net Assets by Policy Year - Fiscal Year Ended March 31, 2008	30-31
Budget-to-Actual Table - Twelve-month Period Ended March 31, 2008	32

### **Statistical Section**

#### **Financial Trends:**

Net Assets by Components	33
Comparative Schedule of Revenue and Expenses - Years Ended March 31, 1999 Through March 31, 2008	34-35

#### **Revenue Capacity:**

Total Insured Value and Member Contributions	36
Principal Member Contributions	37
Aging of Receivables	38

#### **Demographics and Economic Information:**

Reported Losses (Paid Losses Plus Case Reserves): All Coverages	39-40
Claim Activity for the Ten-year Period Ended March 31, 2008	41
Statistics	42
Scope of Coverages	43

#### **Operating Information:**

##### **Loss Development Through March 31, 2008:**

##### **All Coverages:**

Paid Losses	44-45
Case Reserves	46-47
Reported Losses (Paid Losses Plus Case Reserves)	48-49
Incurred But Not Reported Reserves	50-51
Reported Claim Counts	52
Closed Claim Counts	53

# **Michigan County Road Commission Self-Insurance Pool**

## **Contents (Continued)**

### **Statistical Section (Continued)**

#### **Loss Development Through March 31, 2008 (Continued):**

##### **General Liability:**

Paid Losses	54-55
Case Reserves	56-57
Reported Losses (Paid Losses Plus Case Reserves)	58-59
Incurred But Not Reported Reserves	60-61
Reported Claim Counts	62
Closed Claim Counts	63

##### **Trunkline Liability:**

Paid Losses	64-65
Case Reserves	66-67
Reported Losses (Paid Losses Plus Case Reserves)	68-69
Reported Claim Counts	70
Closed Claim Counts	71

##### **Errors and Omissions:**

Paid Losses	72-73
Case Reserves	74-75
Reported Losses (Paid Losses Plus Case Reserves)	76-77
Incurred But Not Reported Reserves	78-79
Reported Claim Counts	80
Closed Claim Counts	81

##### **Property:**

Paid Losses	82-83
Case Reserves	84-85
Reported Losses (Paid Losses Plus Case Reserves)	86-87
Incurred But Not Reported Reserves	88-89
Reported Claim Counts	90
Closed Claim Counts	91

## **Introductory Section**

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# **MICHIGAN COUNTY ROAD COMMISSION SELF-INSURANCE POOL**

July 8, 2008

## **Board of Directors**

**Chairman**  
**Lonny L. Lutke**  
*Missaukee*

**Vice Chairman**  
**Dorothy G. Pohl**  
*Ionia*

**Timothy J Haagsma**  
*Kent*

**Sharon K. Hice**  
*Eaton*

**Chalmers A. Greaham**  
*Iron*

**Michael A. Power**  
*Huron*

**Michael A. Roper**  
*Oshtemo*

**Kenneth A. Rowe**  
*Houghton*

**Karl A. Schmidt**  
*Jackson*

**Administrator**  
**Frederick L. Haring**

**Assistant Administrator**  
**Finance/Administration**  
**Board Treasurer**  
**Gayle A. Pratt**

**Assistant Administrator**  
**Loss Control**  
**Michael E. Shultz**

**Member Services**  
**Coordinator**  
**Board Secretary**  
**Kay Newberry**

**417 Seymour Street**  
**Post Office Box 14119**  
**Lansing, MI 48901-4901**

**[www.mcrcsip.org](http://www.mcrcsip.org)**  
**(517)-482-9166**  
**(800) 842-4971**  
**Fax: (517) 485-4809**

**Board of Directors**  
**Michigan County Road Commission**  
**Self-Insurance Pool**  
**417 Seymour Street**  
**Lansing, Michigan 48933**

**Dear Board of Directors:**

County road commissions in the State of Michigan established and created a Trust Fund, known as the Michigan County Road Commission Self-Insurance Pool (MCRCSIP), pursuant to the provisions of Act 138 of the Michigan Public Acts of 1982 and began providing services April 1, 1984. This statewide self-insurance pool was established to provide for joint and cooperative action relative to members' financial and administrative resources for the purpose of providing liability and property protection and risk management services. Membership is restricted to Michigan road commissions and related operations and activities.

The MCRCSIP is funded by yearly contributions from its members with equity among the membership continuing as a primary goal of the Board's contribution policy. Total annual required contributions are actuarially determined and allocated to the members based upon various criteria to rate the different lines of coverage components and determine each member's contribution requirements. The criteria remained the same for the 2007/2008 coverage year as 2006/2007. The criteria and component composition for allocating the contribution requirements are:

- General Liability – 50% based on exposure (miles & population); and 50% based on experience (using net paid capped losses)
- Auto Liability – A rate per vehicle
- Trunkline Liabilities (excluding General Liability) - An actuarially computed rate per mile
- Employment Practices Liability/Errors & Omissions – A flat rate charge to all members, 15% of the total collected based on experience, 50% of the remaining amount to be collected based on population and 50% based on number of employees.

- Umbrella – Rate is a percentage of underlying coverage
- Physical Damage – A rate per \$100 of value
- Crime – A rate based on number of employees and the amount of coverage

New members may be accepted into the MCRCSIP upon application and approval from the Board of Directors. Prospective new members are underwritten using data obtained through a new member survey and the appropriate loss history data. During the year ended March 31, 2008, one member upgraded their coverage to add Crime coverage and several members upgraded their licensed vehicles and off-road equipment to “Appreciated Valuation” from their depreciated basis.

### **INTERNAL CONTROLS**

Management of the MCRCSIP is responsible for establishing and maintaining an internal control structure designed to ensure the assets of the Pool are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of the control should not exceed the benefits likely to be derived; (2) the valuation of costs and benefits requires estimates and judgments by management.

### **FINANCIAL MANAGEMENT**

The Comprehensive Annual Financial Report (CAFR) for the year ended March 31, 2008 is being submitted to the Board of Directors as suggested by the Association of Governmental Risk Pools (AGRIP) and the regulations of the State of Michigan, Office of Financial and Insurance Regulation (OFIR). Responsibility for the accuracy, completeness and the fairness of the presentation, including all disclosures, rests with management. The MCRCSIP’s books are recorded on a full accrual basis in accordance with generally accepted accounting principles and the GASB. We believe this information is accurate in all material aspects; that it is presented in a manner designed to fairly state the financial position and results of operations of the MCRCSIP.

Assets of the MCRCSIP are invested in accordance with Section 10, of Act No. 138, Michigan Public Acts of 1982, and the policies adopted by the MCRCSIP Board of Directors.

Plante & Moran, PLLC Certified Public Accountants, provide an objective, independent review of the fairness of the MCRCSIP’s reported financial position and results of operations. Their examination includes the auditing procedures, which they deem necessary to express an opinion as to the fairness of the financial statements.

Beginning September, 1993, Milliman was hired by the Board of Directors to perform an annual independent actuarial review which confirms the adequacy and reasonableness of the liabilities recorded as “allowances for unsettled claims and claims incurred but not reported (IBNR)”. Their report is also submitted to the Board.



## **FINANCIAL HIGHLIGHTS**

For the Fiscal Year ended March 31, 2008 the Pool had another very successful year. The Pool returned a \$10.5 million dividend to members in August 2007. Please see the attached financial reports for this year for a more in-depth report.

Although insured values increased slightly, member contribution revenue decreased approximately 3.3% primarily due to reductions in liability contributions caused by the continued downward trend of our projected ultimate losses.

The excess/reinsurance markets started to soften slightly as compared to the challenges of the past four to five years. The difficult reinsurance markets following the 911 catastrophe and the next several years with hurricanes and flooding in the South, and fires in the West combined to increase excess/reinsurance costs since the 2003/2004 fiscal years. We are now starting to see some reductions and we anticipate a better excess/reinsurance market going forward for the foreseeable time. Terri Kelley, Langan & Co., is responsible for negotiating the excess/reinsurance package for the MCRC SIP. Even including the increased insured values for the 2007/2008 fiscal year, she was successful in negotiating a renewal package that decreased our overall excess/reinsurance costs from the previous year.

Current year claim payments and ultimate prior year losses combined for a significant decrease in overall claim expenses in the 2007/2008 fiscal year. The reserve decreases that the MCRC SIP has experienced the last several years are the result of significant changes in our statutory responsibilities due to recent Supreme Court decisions and negotiated settlements on several potentially large claims by our Third Party Administrator, Specialty Claims Services.

The MCRC SIP's investments realized a return of 0.82 percent, net of fees, that translates into \$528,428 on our statement of revenues, expenses and changes in net assets. Although this is significantly lower because of the difficult investment markets, the total MCRC SIP composite exceeded our custom index.

Operating expenditures were down for the year. As a group, Administrative Expenses were under budget for the year. The service fee paid for our third-party administrator decreased slightly. Depreciation and building expenses increased because of the updating of the first floor and necessary improvements to our parking lot.

## **LOSS CONTROL AND TRAINING**

Loss Prevention and Training continues to be of primary importance to the MCRC SIP. To this end, both Mike Shultz and Mike Phillips continue to spend 100% of their time devoted to this important service. Their efforts continue to be centered on Training Sessions and Loss Control Visits to member facilities and work areas. The goal of the training opportunities and the visits is to assist members in making their work environment as safe as possible for their employees as well as protecting the general public and members' property and equipment.

Mike and Mike have conducted a total of 233 service visits during 2007/08; advised members of 1,376 safety audit recommendations; participated in 62 meetings (Council, Board of Directors, Sub-committee

and Staff); drove a total of 6,370 surveillance miles and more than 61,658 vehicle miles. They also wrote 9 articles for the Pool Cue and Road Side Chats.

Mike Shultz continues to oversee the MCRCSIP Member Loss Control Committee with sub-committees representing the many areas of member loss exposure. Members on this committee and its sub-committees consist of representatives from each road commission council in the State. The goal for the committee is to discuss and recommend focus areas for the MCRCSIP to use in assisting our members in their goal to make their counties as safe as possible.

## **MAJOR INITIATIVES**

Improving our Information Systems continued to be of primary importance during 2007/08. During the year the new Loss Control Section was enhanced. The Pool's Property and Equipment Management system was improved and this greatly improved the 2008/2009 renewal processing activity. The next fiscal year will see further improvements in our website, and increased use of electronic documents at our office. It will continue to be our challenge to identify the most effective ways to use technology to improve member services and streamline administrative operations.

The Board and our investment consultant, Brian Brice of Merrill Lynch – The Brice Group, continue to monitor the investment performance of the Pool's money managers. During the 2007/2008 fiscal year, Brian Brice and the Pool's Investment Committee considered further diversification for the Large Cap Stock Portfolio. The Investment Committee recommended, and the Pool Board approved, adding an "active" Value component and an "active" Growth component to our Large Cap Stock Portfolio. Two new managers were added to complement the passive S&P 500 Index Fund. Aletheia Research and Management, Inc. will manage the Large Cap Growth Portfolio and Eaton Vance Managed Investments will manage the Large Cap Value Portfolio. The funding of the two new accounts was completed in February 2008.

A significant project was developed during the year to provide a new coverage, Equipment Breakdown Coverage, for our Building & Contents coverage under the Property form. Since this important coverage, (formerly called Boiler & Machinery), was not included in our MCRCSIP coverage, many members were purchasing this coverage from other agents or companies. We were able to develop this new "Equipment Breakdown Coverage" in agreement with The Hartford Steam Boiler Company and reinsure it at 100% and bring this coverage into the MCRCSIP Building & Contents coverage. Because of the Pool's size and stability we were able to bring this coverage to all members carrying our Building & Contents coverage at no additional cost to our individual members. This coverage is automatic and will be effective April 1, 2008.

## **AWARDS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Michigan County Road Commission Self-Insurance Pool (MCRCSIP) for its comprehensive annual financial report (CAFR) for the fiscal year ended March 31, 2007. This was the eleventh consecutive year that the MCRCSIP has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a governmental entity must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for certificate number twelve.

The Michigan County Road Commission Self-Insurance Pool was again recognized by the Association of Governmental Risk Pools (AGRIP) for being in general compliance with AGRIP's Pool Advisory Standards. This certification is valid for three years and is the second time the MCRC SIP received this recognition. The Renewal Application for this Certification will be processed in the 2008/2009 fiscal year.

#### **CONCLUDING COMMENTS**

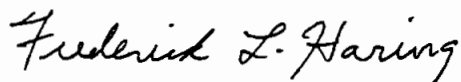
It is my privilege to report that as of March 31, 2008, the MCRC SIP has concluded another successful year of operations. While our overall exposure and liability for future claims, as calculated by our actuaries, has continued to decline for the last four years, we continue to see an increase in the number of claims in the EPL, Property, and Equipment Physical Damage exposure areas. Through the diligent efforts of Specialty Claims Services and our defense attorneys, we have been able to settle and close several potentially very serious claims and reduce the number of litigated claims to a level significantly below historical inventory levels. Our Loss Control efforts for 2008/2009 will continue to be concentrated on our higher risk areas as we visit our membership and promote training sessions for all levels of employees. Pool staff will continue to monitor the exposures and claims and will suggest further actions if they become necessary.

The MCRC SIP investment portfolio beat the custom index in 2007/2008 in large part due to your decision to further diversify. The addition to the "active" manager portfolios for large cap growth and value should help to increase performance in the large cap portfolios.

Our staff members and vendors have continued to do an exemplary job in support of your positive dedicated leadership and the active support and cooperation of the Membership. I have enjoyed working with you and the MCRC SIP members, staff and vendors as we continue into our twenty-fifth year of service to our members and look forward to celebrating MCRC SIP's 25<sup>th</sup> Anniversary at our July 2009 Annual Meeting.

Thank you.

Respectfully submitted,

A handwritten signature in cursive script that reads "Frederick L. Haring".

Frederick L. Haring, CPCU, ARM

Administrator

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Michigan County Road  
Commission Self-Insurance  
Pool

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
March 31, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



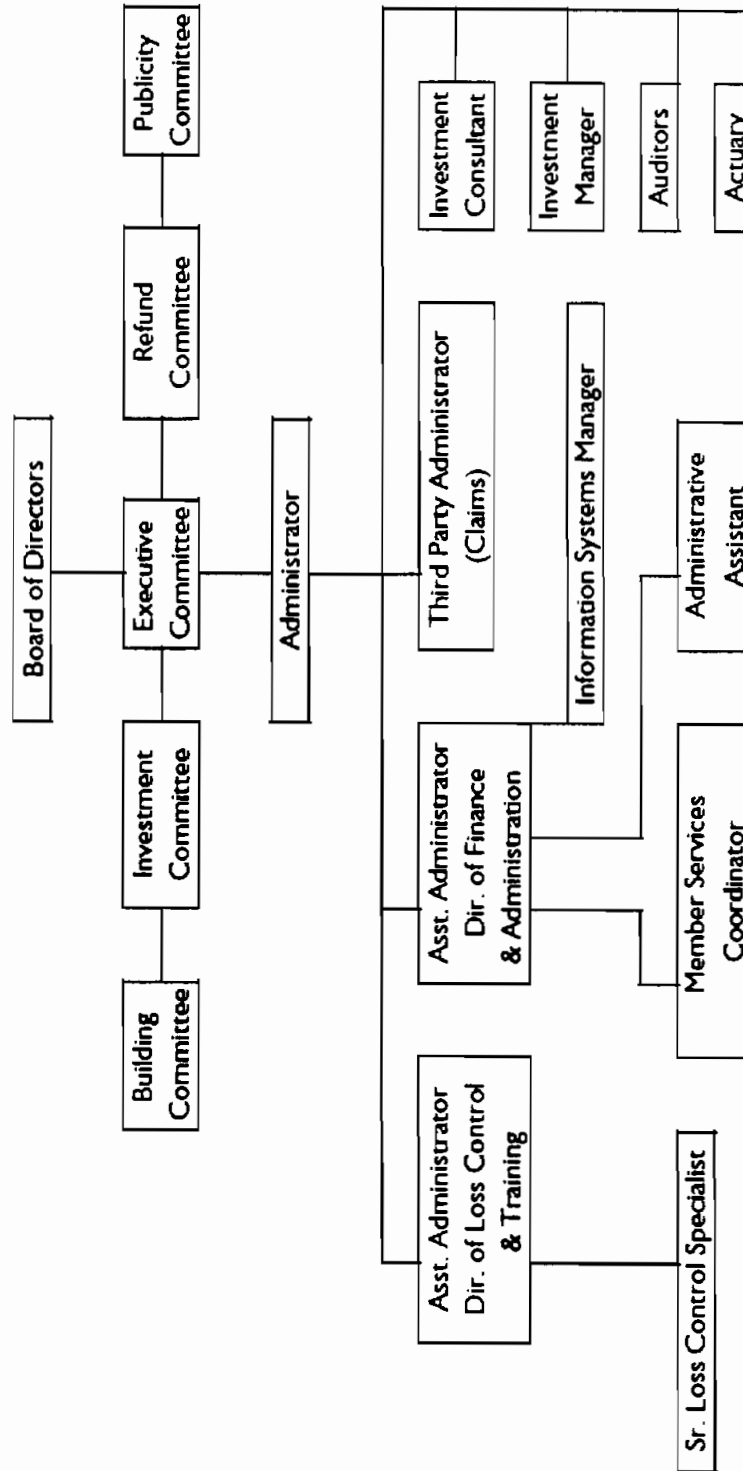
*Oliver S. Cox*

President

*Jeffrey R. Enser*

Executive Director

Michigan County Road Commission  
Self-Insurance Pool  
Organizational Chart



# **Michigan County Road Commission Self-Insurance Pool**

## **List of Officers and Staff**

### **2007/2008 BOARD OF DIRECTORS**

<b>Lonny Lutke</b> <b>Missaukee County Road Commission</b>	<b>Chairman</b>
<b>Dorothy Pohl</b> <b>Ionia County Road Commission</b>	<b>Vice Chairman</b>
<b>Tim Haagsma</b> <b>Kent County Road Commission</b>	<b>Director</b>
<b>Sharon Hice</b> <b>Eaton County Road Commission</b>	<b>Director</b>
<b>Chalmers McGreaham</b> <b>Iron County Road Commission</b>	<b>Director</b>
<b>Michael Power</b> <b>Huron County Road Commission</b>	<b>Director</b>
<b>Michael Roper</b> <b>Otsego County Road Commission</b>	<b>Director</b>
<b>Kenneth Rowe</b> <b>Houghton County Road Commission</b>	<b>Director</b>
<b>Darrel Spragg</b> <b>Alpena County Road Commission</b>	<b>Director</b>

### **STAFF**

<b>Frederick Haring</b>	<b>Administrator</b>
<b>Gayle Pratt</b>	<b>Assistant Administrator</b> <b>Director of Admin/Finance</b>
<b>Michael Shultz</b>	<b>Assistant Administrator</b> <b>Director of Loss Control</b>
<b>Michael Phillips</b>	<b>Senior Loss Control Specialist</b>
<b>Kay Newberry</b>	<b>Member Service Coordinator</b>
<b>Janet Wise</b>	<b>Administrative Assistant</b>

## Financial Section

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## Independent Auditor's Report

To the Board of Directors  
Michigan County Road Commission  
Self-Insurance Pool

We have audited the basic financial statements of the Michigan County Road Commission Self-Insurance Pool as of and for the years ended March 31, 2008 and 2007. These basic financial statements are the responsibility of the Pool's management. Our responsibility is to express an opinion on these basic financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Michigan County Road Commission Self-Insurance Pool at March 31, 2008 and 2007 and the changes in financial position, including cash flows, for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The management's discussion and analysis, schedule of claims information for all lines of coverages - fiscal year ended March 31, 2008, and the reconciliation of claims liabilities by type of contract are not a required part of the basic financial statements but are supplemental information required by the Governmental Accounting Standards Board. The introductory section, other supplemental information, and statistical section as identified in the table of contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements of the Michigan County Road Commission Self-Insurance Pool. The schedule of changes in net assets by policy year for all open years from April 1, 1995 through March 31, 2008, the schedule of changes in net assets by policy year - fiscal year ended March 31, 2008, and the budget-to-actual table - twelve-month period ended March 31, 2008 have been subjected to the procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.



To the Board of Directors  
Michigan County Road Commission  
Self-Insurance Pool

We have applied certain limited procedures to the management's discussion and analysis and schedule of claims information for all lines of coverages - fiscal year ended March 31, 2008 and the reconciliation of claims liabilities by type of contract, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it. The introductory section and the statistical data listed in the statistical section of the table of contents have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Plante & Moran, PLLC*

July 8, 2008

# Michigan County Road Commission Self-Insurance Pool

## Management's Discussion and Analysis

### Using this Annual Report

This annual report consists of the statement of net assets, the statement of revenue, expenses, and changes in net assets, and the statement of cash flows. Along with the footnotes, they provide detailed financial information concerning the Michigan County Road Commission Self-Insurance Pool (the "Pool"). This section, the management's discussion and analysis, is intended to provide an overview of the Pool's financial condition, results of operations, and other key information.

### Financial Overview

The Pool's operating objectives are to formulate, develop, and administer, on behalf of its members, a program of insurance to obtain lower costs for the coverages provided, and to develop a comprehensive loss prevention program. As of March 31, 2008, 78 county road commissions and one county water authority within the state of Michigan participate in the Pool (79 members).

Key financial statistics for the Pool would be the comparison of total member contributions to total estimated claims payments, measured discretely for each policy year. This comparison is known to the insurance industry as a "loss ratio."

	Policy Year Ended		
	2008	2007	2006
Total member contributions	\$ 18,653,476	\$ 19,292,765	\$ 19,196,911
Total estimated claim payments	\$ 11,152,665	\$ 7,459,445	\$ 7,946,789
Loss ratio	59.8%	38.7%	41.4%

"Total estimated claim payments" represents the sum of all claims paid through the fiscal year end (net of collections), estimates of the possible amounts to be paid for all known (open) claims as established by the third-party administrator, and an estimate of claims incurred but not reported as calculated by an independent actuary. The methods of making such estimates are established according to industry practice and are continuously reviewed by management. Changes to these estimates will have an impact on reported results of future periods. Claim payments can vary significantly from period to period because the ultimate amount paid for claims is dependent on the frequency and severity of claims filed, as well as negotiated settlements, jury decisions, court interpretations, and legislative changes.

# **Michigan County Road Commission Self-Insurance Pool**

## **Management's Discussion and Analysis (Continued)**

To reduce exposure to large, specific claims and aggregate policy year claims, the Pool enters into excess and reinsurance contracts to recover losses in excess of stated amounts (self-insured retention amounts or "SIR") in the excess and reinsurance contracts. The self-insured retention for individual liability claims is \$2 million per occurrence with a policy year aggregate limit of \$12 million. The employment practices/public officials SIR is \$500,000 for each claim with an aggregate limit of \$10 million. Property coverage for buildings and contents is subject to a \$1 million SIR for any single loss and, for vehicles and equipment, the SIR is \$150,000 per claim with a \$750,000 aggregate. The combined retention for all property damage due to a single event is \$1.5 million and the property policy's annual aggregate stop loss is \$2 million, subject to a \$25,000 SIR after exhaustion of the annual aggregate.

This year, the Pool's total assets decreased 4.3 percent (\$3.0 million) from last year, and liabilities decreased by \$2.6 million (10.7 percent). This decrease is primarily due to the \$2.6 million reduction in the actuarial component of the 2007-2008 claim expense. Allowances for unsettled claims and claims incurred but not reported (long-term and current portions) comprise 33 percent of the Pool's total liabilities and net assets in 2008, 36 percent in 2007, and 38 percent in 2006. Due to the nature of self-insurance pools and the related claim reporting and settlements processes, it is anticipated, based on historical averages, that approximately 16 percent of the estimated unsettled claims and claims incurred but not reported will be closed during the next fiscal year.

Cash and investments make up 99 percent of the Pool's total assets at March 31, 2008, 98 percent at March 31, 2007, and 90 percent at March 31, 2006. The 2007 and 2008 balance sheets reflect higher balances for cash and cash equivalents than 2006 due to the timing of the annual payment for excess and reinsurance contracts. In 2006, the payment was made prior to year end and is shown as prepaid reinsurance premiums; for 2007 and 2008, that payment was made after the end of the year.

The building owned by the Pool required some interior updates. These updates added approximately \$35,000 in 2008 and \$30,000 in 2007 to the Pool's net assets invested in capital assets.

After making a \$10,500,000 distribution to members, total net assets remained essentially the same as the previous two years.

# Michigan County Road Commission Self-Insurance Pool

## Management's Discussion and Analysis (Continued)

The analysis below presents a comparison of the Pool's current year financial position to that of the prior two years:

	2008	2007	2006
<b>Assets</b>			
Cash, cash equivalents, and investments	\$ 64,479,802	\$ 67,321,021	\$ 64,102,349
Capital assets	419,817	422,261	414,883
Other assets	530,924	658,412	6,683,328
Total assets	<b>\$ 65,430,543</b>	<b>\$ 68,401,694</b>	<b>\$ 71,200,560</b>
<b>Liabilities and Net Assets</b>			
<b>Liabilities</b>			
Accounts payable	\$ 74,164	\$ 69,371	\$ 11,590
Allowances for unsettled claims and claims incurred but not reported	21,633,541	24,250,317	27,020,815
Total liabilities	21,707,705	24,319,688	27,032,405
<b>Net Assets</b>			
Invested in capital assets (restricted)	419,817	422,261	414,883
Unrestricted	43,303,021	43,659,745	43,753,272
Total net assets	43,722,838	44,082,006	44,168,155
Total liabilities and net assets	<b>\$ 65,430,543</b>	<b>\$ 68,401,694</b>	<b>\$ 71,200,560</b>

# Michigan County Road Commission Self-Insurance Pool

## Management's Discussion and Analysis (Continued)

The following table shows the major components of income from operations for 2008, 2007, and 2006:

	2008	2007	2006
<b>Revenue</b>			
Member contributions	\$ 18,653,476	\$ 19,292,765	\$ 19,196,911
Other	825,107	5,806,733	6,579,650
Total revenue	19,478,583	25,099,498	25,776,561
<b>Expenses</b>			
Total provision for claims	(463,252)	(2,152,204)	(1,506,461)
Reinsurance and excess insurance			
premiums and state assessments	(6,689,528)	(6,812,829)	(6,750,211)
Service fee	(822,000)	(829,992)	(850,008)
Other	(320,864)	(379,379)	(380,347)
Administrative expenses:			
Salaries and wages	(409,790)	(426,003)	(403,346)
Taxes and insurance	(194,070)	(185,490)	(155,665)
Professional fees	(177,465)	(182,687)	(139,634)
Office expenses	(67,440)	(47,587)	(61,404)
Depreciation	(45,193)	(38,921)	(39,840)
Other	(148,149)	(130,555)	(126,317)
Total expenses	(9,337,751)	(11,185,647)	(10,413,233)
<b>Excess of Revenue Over Expenses - Before</b>			
distributions to members	10,140,832	13,913,851	15,363,328
<b>Distributions to Members</b>	(10,500,000)	(14,000,000)	(6,500,000)
<b>Total (Decrease) Increase in Net Assets</b>	<b>\$ (359,168)</b>	<b>\$ (86,149)</b>	<b>\$ 8,863,328</b>

Member contributions remained stable. Contributions for general and auto liability decreased 6.5 percent and the rate for physical damage coverage also decreased slightly. The slight increase in contribution amounts is due to the increased insurable value of the members' property and equipment. The cost of coverage for the employment practices/public officials liability increased 3.5 percent primarily because of the increased risk in these types of claims. Other revenue is down significantly due to the investment market conditions.

The decrease in total expenses is due to a combination of factors. The cost of our reinsurance and excess insurance premiums is down \$37,000 and the Michigan Catastrophic Claims Association assessment was down \$97,000. The balance of the decrease is due to the \$1.7 million reduction in our total provision for claims for 2008.

# **Michigan County Road Commission Self-Insurance Pool**

## **Management's Discussion and Analysis (Continued)**

The Michigan Catastrophic Claims Association assessment rates were \$137.77 per insured vehicle for our April 1, 2007 renewals, down from \$141.70 last year, but still higher than the \$127.24 assessed in 2005-2006. The State of Michigan Assigned Claims Facility assessment increased 8.5 percent for 2007-08, 12 percent for 2006-07 and 32 percent for 2005-06.

Service fees, other expenses (primarily investment fees) and administrative expenses have remained relatively stable over all three years reported.

Equity distributions to members are determined annually by the board of directors after reviewing the previous year's audited financial information and actuarial estimates. In 2007, the board returned \$10,500,000 of equity to the members.

### **Economic Factors and Next Year's Rates**

Member contributions for 2008-2009 will decrease by approximately 7.5 percent due to the continued decreases in the Pool's allowances for unsettled claims and claims incurred but not reported, a reduction in the cost of reinsurance and excess insurance, and an expected 10 percent decrease in the MCCA per vehicle assessment. With the continued reduction in the number of open liability claims, we would expect to see another decrease in the actuarial reserves,

We are unaware of any economic events or legislative events that would have a significant impact on the operations of the Pool.

### **Contacting the Pool's Management**

This financial report is intended to provide our members and regulators with a general overview of the Michigan County Road Commission Self-Insurance Pool's finances. Questions concerning the information provided in this report or requests for additional financial information should be addressed to the Assistant Administrator/Director of Finance and Administration, Michigan County Road Commission Self-Insurance Pool, P.O. Box 14119, Lansing, MI 48901.

## **Basic Financial Statements**

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# Michigan County Road Commission Self-Insurance Pool

## Statement of Net Assets

	March 31	
	2008	2007
<b>Current Assets</b>		
Cash and cash equivalents (Note 2)	\$ 4,703,790	\$ 6,541,031
Investments (Note 2)	59,776,012	60,779,990
Receivables:		
Accrued interest on investments	158,273	128,697
Members	3,000	13,000
Other	71,368	172,060
Note receivable (Note 7)	50,000	50,000
Other current assets	176,285	169,630
Total current assets	64,938,728	67,854,408
<b>Noncurrent Assets</b>		
Capital assets - Net (Note 3)	419,817	422,261
Note receivable (Note 7)	71,998	125,025
Total noncurrent assets	491,815	547,286
Total assets	<b>\$ 65,430,543</b>	<b>\$ 68,401,694</b>
<b>Current Liabilities</b>		
Accounts payable	\$ 74,164	\$ 69,371
Current portion of allowances for unsettled claims and claims incurred but not reported (Note 5)	3,500,000	3,900,000
Total current liabilities	3,574,164	3,969,371
<b>Long-term Liabilities - Allowances for unsettled claims and claims incurred but not reported - Net of current portion (Note 5)</b>	18,133,541	20,350,317
Total liabilities	21,707,705	24,319,688
<b>Net Assets</b>		
Invested in capital assets	419,817	422,261
Unrestricted	43,303,021	43,659,745
Total net assets	43,722,838	44,082,006
Total liabilities and net assets	<b>\$ 65,430,543</b>	<b>\$ 68,401,694</b>



# Michigan County Road Commission Self-Insurance Pool

## Statement of Revenue, Expenses, and Changes in Net Assets

	Year Ended March 31	
	2008	2007
<b>Revenue - Member contributions</b>	\$ 18,653,476	\$ 19,292,765
<b>Expenses</b>		
Provision for claims (Note 5):		
Payments	3,080,028	4,922,702
Decrease in allowances for unsettled claims and claims incurred but not reported	(2,616,776)	(2,770,498)
Reinsurance and excess insurance premiums and state assessments (Note 4)	6,689,528	6,812,829
Service fee	822,000	829,992
Administrative expenses:		
Salaries and wages	409,790	426,003
Taxes and insurance	194,070	185,490
Professional fees	177,465	182,687
Office expenses	67,440	47,587
Depreciation (Note 3)	45,193	38,921
Other	148,149	130,555
<b>Total expenses</b>	<b>9,016,887</b>	<b>10,806,268</b>
<b>Operating Income - Before other income (expenses) and distributions to members</b>	<b>9,636,589</b>	<b>8,486,497</b>
<b>Other Income (Expenses)</b>		
Interest and dividend income	2,478,287	2,503,374
Investment expenses	(216,564)	(305,900)
Realized and unrealized (losses) gains on investments	(1,734,076)	3,228,381
<b>Net investment income</b>	<b>527,647</b>	<b>5,425,855</b>
Rental income	80,896	74,978
Rental expenses	(104,300)	(73,479)
<b>Total other income</b>	<b>504,243</b>	<b>5,427,354</b>
<b>Excess of Revenue Over Expenses - Before distributions to members</b>	<b>10,140,832</b>	<b>13,913,851</b>
<b>Distributions to Members (Note 6)</b>	<b>(10,500,000)</b>	<b>(14,000,000)</b>
<b>Net Change in Net Assets</b>	<b>(359,168)</b>	<b>(86,149)</b>
<b>Net Assets - Beginning of year</b>	<b>44,082,006</b>	<b>44,168,155</b>
<b>Net Assets - End of year</b>	<b>\$ 43,722,838</b>	<b>\$ 44,082,006</b>

# Michigan County Road Commission Self-Insurance Pool

## Statement of Cash Flows

	Year Ended March 31	
	2008	2007
<b>Cash Flows from Operating Activities</b>		
Cash received from member contributions	\$ 18,764,168	\$ 19,112,636
Cash paid for reinsurance and excess insurance premiums	(6,689,528)	(840,226)
Cash paid for claims	(3,080,028)	(4,922,702)
Cash paid to employees	(412,883)	(313,276)
Cash paid to suppliers and others	(1,407,893)	(1,425,900)
Net cash provided by operating activities	7,173,836	11,610,532
<b>Cash Flows from Capital and Related Financing Activities - Purchase of capital assets</b>	(42,749)	(46,299)
<b>Cash Flows from Investing Activities</b>		
Interest and dividend income	2,232,147	2,250,054
Purchase of investments	(33,799,170)	(29,080,683)
Proceeds from sale or maturity of investments	33,069,072	34,564,494
Rental income	80,896	74,978
Rental expense	(104,300)	(73,479)
Net cash provided by investing activities	1,478,645	7,735,364
<b>Cash Flows from Noncapital Financing Activities</b>		
Distributions to members	(10,500,000)	(14,000,000)
Change in loans under note receivable	53,027	174,505
Net cash used in noncapital financing activities	(10,446,973)	(13,825,495)
<b>Net (Decrease) Increase in Cash and Cash Equivalents</b>	(1,837,241)	5,474,102
<b>Cash and Cash Equivalents - Beginning of year</b>	6,541,031	1,066,929
<b>Cash and Cash Equivalents - End of year</b>	<b>\$ 4,703,790</b>	<b>\$ 6,541,031</b>

# Michigan County Road Commission Self-Insurance Pool

## Statement of Cash Flows (Continued)

A reconciliation of excess of operating income over expenses before other income (expenses) and distributions to members to net cash provided by operating activities is as follows:

	Year Ended March 31	
	2008	2007
Operating income - Before other income (expenses) and distributions to members	\$ 9,636,589	\$ 8,486,497
Adjustments to reconcile operating income - Before other income (expenses) and distributions to members to net cash from operating activities:		
Depreciation expense	45,193	38,921
(Increase) decrease in assets:		
Receivables	110,692	(180,129)
Other assets	(6,655)	5,977,960
Increase (decrease) in liabilities:		
Accounts payable	4,793	57,781
Allowances for unsettled claims and claims incurred but not reported	(2,616,776)	(2,770,498)
Net cash provided by operating activities	<u>\$ 7,173,836</u>	<u>\$ 11,610,532</u>

The Pool had a net unrealized (loss) gain on investments of (\$2,629,648) and \$1,313,319 for the years ended March 31, 2008 and 2007, respectively.

# **Michigan County Road Commission Self-Insurance Pool**

## **Notes to Financial Statements March 31, 2008 and 2007**

### **Note 1 - Nature of Entity and Significant Accounting Policies**

The Michigan County Road Commission Self-Insurance Pool (the "Pool") was established April 1, 1984 under the laws of the State of Michigan as a governmental group self-insurance trust. Activity relating to the formation of the Pool, including the selection of the board of directors, began in October 1983 under the sponsorship of the County Road Association of Michigan, the founding association. The Pool provides various types of liability coverage to its members, including general, automobile, public official errors and omissions, commercial crime, and umbrella. The Pool also provides various types of physical damage coverage including property, automobile, and equipment. The members are Michigan county road commissions. Road commissions applying for membership in the Pool may be admitted with a two-thirds vote of the board of directors of the Pool. Members in the Pool may withdraw from the Pool by giving 60 days' notice. Upon approval of withdrawal, the withdrawing road commission is responsible for its claims incurred subsequent to withdrawal and will be denied any future refunds that are distributed. As of March 31, 2008, there were 79 members participating in the Pool.

The Pool utilizes the accrual method of accounting. Operating revenue is defined as member contributions. Operating expenses are defined as all expenses incurred related to claim management and settlement, excess insurance coverages, and administration. Nonoperating revenue and expenses are defined as all investment income and expenses earned related to investment activities over the period they are incurred, and rental income and related expenses related to the use of their building by outside parties. All revenue is recorded ratably over the period to which it applies, and all expenses are recognized in the period they are incurred. The Pool applies all applicable Financial Accounting Standards Board (FASB) pronouncements issued prior to November 30, 1989 for its proprietary operations. The estimated total claim losses are accrued based on the estimate of claims that will be ultimately filed and paid for each insurance period. It is anticipated that, to the extent that an insurance period has an excess or deficit, the board of directors will determine the manner of disposition or recovery of such excesses or deficits. The Pool may assess members a supplemental assessment in the event of deficiencies.

**Cash Equivalents** - The Pool considers all highly liquid debt investments purchased with a maturity of three months or less to be cash equivalents.

**Investments** - Investments are stated at fair value, based on quoted market prices.

**Accounts Receivable** - Accounts receivable are stated at invoice cost. Account balances that are deemed to be uncollectible are written off and membership is terminated.

# **Michigan County Road Commission Self-Insurance Pool**

## **Notes to Financial Statements March 31, 2008 and 2007**

### **Note 1 - Nature of Entity and Significant Accounting Policies (Continued)**

**Capital Assets** - Capital assets are recorded at cost. Depreciation is computed primarily using the straight-line method over the useful lives of the assets. The estimated useful life of the building is 31.5 years. The estimated useful life of building improvements is 10 years. The estimated useful life of office equipment ranges from 3-5 years.

**Federal Income Tax Status** - The Pool is treated as a trust that distributes its earnings to members. Accordingly, no provision has been made for taxes on income.

**Allowances for Unsettled Claims and Claims Incurred But Not Reported** - Allowances for unsettled claims and claims incurred but not reported represent the estimated liability for unpaid insurance losses and related expenses from reported claims and claims incurred but not reported. Changes to such estimates are reflected in current year earnings.

**Use of Estimates** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Reclassification** - Certain 2007 amounts have been reclassified to conform to the 2008 presentation.

### **Note 2 - Deposits and Investments**

The Pool's investment policy authorizes the Pool to make deposits in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan.

The Pool designated JP Morgan Chase Bank, NA for the deposit of its funds.

At March 31, 2008 and 2007, the Pool had total equities with fair market values of \$38,043,757 and \$43,600,492, respectively.

# Michigan County Road Commission Self-Insurance Pool

## Notes to Financial Statements March 31, 2008 and 2007

### Note 2 - Deposits and Investments (Continued)

The Pool's cash and investments are subject to several types of risk, which are examined in more detail below:

**Custodial Credit Risk of Bank Deposits** - Custodial credit risk is the risk that in the event of a bank failure, the Pool's deposits may not be returned to it. The Pool does not have a deposit policy for custodial credit risk of bank deposits. At March 31, 2008, the Pool's deposit balance of \$207,344 had \$107,344 of bank deposits (checking and savings accounts) that were uninsured and uncollateralized. At March 31, 2007, the Pool's deposit balance of \$119,930 had \$19,930 of bank deposits (checking and savings accounts) that were uninsured and uncollateralized.

**Interest Rate Risk** - Interest rate risk is the risk that the value of investments will decrease as a result of a change in interest rates. The Pool's investment policy restricts investment maturities of fixed income securities by limiting the effective maturity of any single security to 30 years or less. The policy also specifies that the dollar weighted average duration of the fixed income portfolio should be within 25 percent of the dollar weighted average duration of the style index established in the policy. The Pool's policy minimizes interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the open market and limiting the average maturity in accordance with the Pool's cash requirements.

At March 31, 2008, the average maturities of investments are as follows:

Investment Type	Fair Value	Weighted Average Maturity (Years)
U.S. Treasury securities	\$ 3,282,245	10.76
U.S. agencies and passthroughs	5,775,346	13.32
U.S. agency CMO	7,943,986	15.25
Asset-backed securities	985,675	13.62
Corporate bonds	3,471,831	4.65
Foreign government obligations	54,925	4.80
Foreign bonds	218,247	7.10
Total fair value	<u>\$ 21,732,255</u>	
Portfolio weighted average maturity		<u>12.18</u>

# Michigan County Road Commission Self-Insurance Pool

## Notes to Financial Statements March 31, 2008 and 2007

### Note 2 - Deposits and Investments (Continued)

At March 31, 2007, the average maturities of investments are as follows:

Investment Type	Fair Value	Weighted Average Maturity (Years)
U.S. Treasury securities	\$ 2,199,807	10.96
U.S. agencies and passthroughs	2,482,092	12.28
U.S. agency CMO	7,924,539	16.33
Asset-backed securities	994,700	11.03
Corporate bonds	3,386,110	4.40
Foreign government obligations	52,725	5.80
Foreign bonds	139,525	2.56
Total fair value	<u>\$ 17,179,498</u>	
Portfolio weighted average maturity		<u>12.25</u>

**Credit Risk** - Credit risk is the risk that an issuer to an investment will not fulfill its obligations. In accordance with the Pool's investment policy, the Pool may invest in U.S. government securities, corporate bonds, certain equity securities, collateralized mortgage obligations, asset-backed securities, and certain mutual funds.

# Michigan County Road Commission Self-Insurance Pool

## Notes to Financial Statements March 31, 2008 and 2007

### Note 2 - Deposits and Investments (Continued)

At March 31, 2008 and 2007, the credit quality ratings of debt securities by investment type (other than the U.S. government) are as follows:

Rating	Fair Value	
	2008	2007
Asset-backed securities - S&P:		
AAA	\$ 818,173	\$ 873,404
AA-	120,405	121,296
A+	47,097	-
Total	<u>\$ 985,675</u>	<u>\$ 994,700</u>
Corporate bonds - S&P:		
AAA	\$ 77,501	\$ 103,906
AA+	53,182	52,363
AA	149,010	292,905
AA-	681,030	640,577
A+	753,560	666,494
A	568,550	648,775
A-	398,170	271,946
BBB+	589,817	354,275
BBB	181,852	329,656
BBB-	19,159	25,213
Total	<u>\$ 3,471,831</u>	<u>\$ 3,386,110</u>
Foreign government obligations - S&P:		
BBB+	\$ 54,925	\$ -
BBB	-	52,725
Total	<u>\$ 54,925</u>	<u>\$ 52,725</u>
Foreign bonds - S&P:		
AA+	\$ 50,422	\$ 48,903
A+	14,605	-
A-	54,281	68,074
BBB+	53,048	22,548
BBB	45,891	-
Total	<u>\$ 218,247</u>	<u>\$ 139,525</u>



# Michigan County Road Commission Self-Insurance Pool

## Notes to Financial Statements March 31, 2008 and 2007

### Note 2 - Deposits and Investments (Continued)

**Concentration of Credit Risk** - The Pool's investment policy has set limits for investments in any one issuer. The limits are as follows: 8 percent of the market value of an investment manager's portfolio at the time of purchase for the large/medium capitalization portfolios; 10 percent of the market value of an investment manager's portfolio at the time of purchase for the small and middle capitalization portfolios; 10 percent of the market value of an investment manager's portfolio at the time of purchase for the international equity portfolio; and 8 percent of the market value of an investment manager's portfolio at the time of purchase, excluding government-backed securities, for the fixed income portfolios. There were no investments that individually exceed 5 percent of the Pool's total investments at March 31, 2008 and 2007.

### Note 3 - Capital Assets

Capital asset activity of the Pool's business-type activities was as follows:

	Balance April 1, 2007	Additions	Disposals and Adjustments	Balance March 31, 2008
Capital assets not being depreciated - Land	\$ 22,855	\$ -	\$ -	\$ 22,855
Capital assets being depreciated:				
Building	484,327	-	-	484,327
Building improvements	309,348	35,247	-	344,595
Office equipment	70,756	7,502	-	78,258
Subtotal	864,431	42,749	-	907,180
Accumulated depreciation:				
Building	264,617	15,390	-	280,007
Building improvements	160,037	18,102	-	178,139
Office equipment	40,371	11,701	-	52,072
Subtotal	465,025	45,193	-	510,218
Net capital assets being depreciated	399,406	(2,444)	-	396,962
Net capital assets	\$ 422,261	\$ (2,444)	\$ -	\$ 419,817

# Michigan County Road Commission Self-Insurance Pool

## Notes to Financial Statements March 31, 2008 and 2007

### Note 3 - Capital Assets (Continued)

Depreciation expense was charged to the Pool as follows:

	2008	2007
Building	\$ 15,390	\$ 15,375
Building improvements	18,102	14,793
Office equipment	11,701	8,753
Total	<u>\$ 45,193</u>	<u>\$ 38,921</u>

### Note 4 - Insurance Coverage

The Pool uses reinsurance and excess insurance contracts to reduce its exposure to large aggregate and specific losses. These contracts allow the Pool to recover losses in excess of aggregate and specific coverages specified in the contracts; however, it does not discharge the primary liability of the Pool of the risks covered by these contracts. The Pool does not report the liabilities expected to be paid under these contracts unless it is probable that those liabilities will not be covered and paid. The amounts deducted from allowances for unsettled claims and claims incurred but not reported as of March 31, 2008 and 2007 for expected recoveries under these contracts were \$293,444 and \$296,738, respectively.

The Michigan Catastrophic Claims Association (MCCA) is a private, nonprofit association created by Michigan statute as a means of spreading the costs for providing unlimited personal injury protection benefits offered through no-fault auto insurance policies across all Michigan motorists. The MCCA has a board of directors that establishes an annual assessment charged to every Michigan auto insurance premium.

The Michigan Assigned Claims Facility (ACF) was created by Michigan statute in 1973 to provide financial help to people injured in an uninsured motor vehicle accident, who have no insurance coverage of their own. The ACF is administered by the Michigan Department of State under authority of the No-fault Insurance Law. The ACF assesses all insurers an annual fee based on the number of vehicles insured in order to cover the costs of this plan.

# Michigan County Road Commission Self-Insurance Pool

## Notes to Financial Statements March 31, 2008 and 2007

### Note 4 - Insurance Coverage (Continued)

Premiums ceded under these contracts during the years ended March 31, 2008 and 2007 were as follows:

	2008	2007
MCCA	\$ 647,998	\$ 744,588
ACF	98,108	87,614
Reinsurance and excess insurance premiums	<u>5,943,422</u>	<u>5,980,627</u>
Total	<u>\$ 6,689,528</u>	<u>\$ 6,812,829</u>

### Note 5 - Allowances for Unsettled Claims and Claims Incurred But Not Reported

The Pool's allowances for unsettled claims and claims incurred but not reported were computed actuarially for the years ended March 31, 2008 and 2007, and are based on the estimated ultimate cost of settling claims, including the effects of inflation and other societal and economic factors. The allowances for unsettled claims and claims incurred but not reported are presented at present value using discount rates of 3.8 percent and 3.7 percent for the years ended March 31, 2008 and 2007, respectively. The estimates reflect the Pool's best judgment as to the potential for claims to increase beyond the amounts already paid and reserved on filed claims. It is at least reasonably possible that a material change in the estimate will occur within the near term and thus the actual claims paid may be substantially different than these estimates.

# Michigan County Road Commission Self-Insurance Pool

## Notes to Financial Statements March 31, 2008 and 2007

### Note 5 - Allowances for Unsettled Claims and Claims Incurred But Not Reported (Continued)

The following table presents changes in the allowances for the fiscal years ended March 31, 2008 and 2007:

	<u>2008</u>	<u>2007</u>
Claims filed at March 31 that remain unsettled as of that date	\$ 3,948,719	\$ 5,156,639
Estimate of claims incurred prior to March 31 not reported as of that date that are expected to be filed in the future	19,469,457	21,011,680
Less portion to be paid by members and excess insurance carriers	<u>293,444</u>	<u>296,738</u>
Total undiscounted reserves	23,124,732	25,871,581
Less effect of discount	<u>1,491,191</u>	<u>1,621,264</u>
Total	<u>\$ 21,633,541</u>	<u>\$ 24,250,317</u>

# Michigan County Road Commission Self-Insurance Pool

## Notes to Financial Statements March 31, 2008 and 2007

### Note 5 - Allowances for Unsettled Claims and Claims Incurred But Not Reported (Continued)

	2008	2007
<b>Allowances for Unsettled Claims and Claims Incurred But Not Reported -</b>		
Beginning of year	\$ 24,250,317	\$ 27,020,815
Incurred claims and claims adjustment expenses:		
Provision for insured events of the current year	11,080,059	11,974,965
Decrease in provision for insured events of prior years	<u>(10,750,176)</u>	<u>(10,765,526)</u>
Total incurred claims and claims adjustment expense	329,883	1,209,439
Payments:		
Claims and claims adjustment expenses attributable to insured events of the current year	1,004,713	933,593
Claims and claims adjustment expenses attributable to insured events of prior years	<u>2,075,315</u>	<u>3,989,109</u>
Total payments	3,080,028	4,922,702
Decrease in amount to be paid by reinsurance and excess insurance carriers	3,296	747,675
Decrease in present value discount	<u>130,073</u>	<u>195,090</u>
<b>Allowances for Unsettled Claims and Claims Incurred But Not Reported -</b>		
End of year	<u>\$ 21,633,541</u>	<u>\$ 24,250,317</u>

# Michigan County Road Commission Self-Insurance Pool

## Notes to Financial Statements March 31, 2008 and 2007

### Note 5 - Allowances for Unsettled Claims and Claims Incurred But Not Reported (Continued)

The following, based on historical trends of the Pool, summarizes the anticipated settlement of claims at March 31, 2008 and 2007:

	2008	2007
Claims anticipated to be settled within one year	\$ 3,500,000	\$ 3,900,000
Claims anticipated to be settled in excess of one year	<u>18,133,541</u>	<u>20,350,317</u>
Total allowances for unsettled claims and claims incurred but not reported	<u>\$ 21,633,541</u>	<u>\$ 24,250,317</u>

### Note 6 - Distributions to Members

The Pool distributed funds to members as follows:

	2008	2007
Refunds - Members' equity:		
1993-1994	\$ -	\$ 3,312,033
1994-1995	-	6,214,701
1995-1996	6,853,383	901,363
1996-1997	1,997,941	239,767
1997-1998	107,352	300,603
1998-1999	249,972	672,779
1999-2000	151,063	399,463
2000-2001	121,029	318,049
2001-2002	129,451	342,652
2002-2003	209,689	585,998
2003-2004	333,124	424,513
2004-2005	297,964	288,079
2005-2006	<u>49,032</u>	<u>-</u>
Total	<u>\$ 10,500,000</u>	<u>\$ 14,000,000</u>

# **Michigan County Road Commission Self-Insurance Pool**

## **Notes to Financial Statements March 31, 2008 and 2007**

### **Note 7 - Note Receivable**

In November 2004, the Pool entered into an agreement with a member whereby the member agreed to repay the Pool \$601,431 for refunds received in excess of the refund amounts to which it was entitled. If the member fails to make any payment when due, or ceases to be a member, the entire remaining balance may become due and payable. Any remaining balance due shall, at that time, bear interest at 8 percent per year until paid in full. The Pool will receive annual payments of \$50,000. The outstanding balance of the note at March 31, 2008 and 2007 was \$121,998 and \$175,025, respectively.

### **Note 8 - Postretirement Benefits**

The Pool provides healthcare benefits to retirees. These benefits are paid annually and charged to expense when paid. Benefits totaled \$14,101 and \$9,552 for the years ended March 31, 2008 and 2007, respectively.

**Upcoming Reporting Change** - The Governmental Accounting Standards Board has released Statement No. 45, *Accounting and Reporting by Employers for Post-employment Benefits Other Than Pensions*. The new pronouncement provides guidance for organizations in recognizing the cost of retiree health care, as well as any other post-employment benefits (other than pensions). The new rules will cause the financial statements to recognize the cost of providing retiree healthcare coverage over the working life of the employee, rather than at the time the healthcare premiums are paid. The new pronouncement is effective for the year beginning April 1, 2008.

## **Required Supplemental Information**

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## **Michigan County Road Commission Self-Insurance Pool**

	1998*	1999	2000	2001
Required contributions and investment income:				
Earned	\$ 15,989,924	\$ 15,320,603	\$ 14,758,833	\$ 14,320,277
Ceded	<u>4,308,984</u>	<u>4,184,576</u>	<u>3,928,497</u>	<u>4,007,943</u>
Net earned	11,680,940	11,136,027	10,830,336	10,312,334
Unallocated expenses	2,294,897	2,115,249	2,095,347	2,040,347
Estimated claims and expenses, end of policy year:				
Incurred	13,463,353	12,819,480	13,408,327	13,750,556
Ceded	<u>3,862,148</u>	<u>2,638,027</u>	<u>3,750,582</u>	<u>3,570,418</u>
Net incurred	9,601,205	10,181,453	9,657,745	10,180,138
Net paid (cumulative) as of:				
End of policy year	492,882	555,130	653,977	830,883
One year later	2,066,241	1,805,447	2,137,392	1,719,653
Two years later	3,910,444	3,184,325	3,822,917	3,473,137
Three years later	6,379,990	3,692,345	4,754,297	4,874,555
Four years later	6,506,477	3,958,263	5,308,364	6,341,440
Five years later	6,552,692	3,921,255	5,328,847	6,349,539
Six years later	7,286,055	4,126,098	5,336,891	6,370,208
Seven years later	7,357,057	4,127,683	5,340,405	6,372,028
Eight years later	7,219,078	4,127,683	5,356,155	-
Nine years later	7,222,142	4,127,683	-	-
Ten years later	7,277,489	-	-	-
Reestimated ceded claims and expenses	-	-	-	-
Reestimated net incurred claims and expenses:				
End of policy year	9,601,205	10,181,453	9,657,745	10,180,138
One year later	9,861,429	10,544,669	10,118,507	9,979,426
Two years later	9,887,880	9,851,275	10,042,444	10,082,165
Three years later	8,487,827	6,543,279	8,146,333	8,139,388
Four years later	7,953,216	4,483,918	6,238,269	7,061,388
Five years later	7,788,125	4,265,143	5,498,459	7,061,388
Six years later	7,686,470	4,126,098	5,596,822	6,507,466
Seven years later	7,417,112	4,126,098	5,594,714	6,372,028
Eight years later	7,415,578	4,127,683	5,619,499	-
Nine years later	7,278,089	4,127,683	-	-
Ten years later	<u>7,277,489</u>	<u>-</u>	<u>-</u>	<u>-</u>
(Decrease) increase in estimated net incurred claims and expenses from end of policy year	<b><u>\$ (2,323,716)</u></b>	<b><u>\$ (6,053,770)</u></b>	<b><u>\$ (4,038,246)</u></b>	<b><u>\$ (3,808,110)</u></b>

- \* Michigan County Road Commission Self-Insurance Pool adopted GASB Statement No. 30, *Risk Finance Omnibus*, an amendment of GASB No. 10, on a prospective basis.

**Schedule of Claims Information for All Lines of Coverages**  
**Fiscal Year Ended March 31, 2008**

2002	2003	2004	2005	2006	2007	2008
\$ 15,026,391	\$ 15,678,785	\$ 19,249,578	\$ 19,790,580	\$ 20,059,348	\$ 20,025,057	\$ 18,658,464
<u>4,353,993</u>	<u>4,468,305</u>	<u>6,526,885</u>	<u>6,663,120</u>	<u>6,750,211</u>	<u>6,812,829</u>	<u>6,689,528</u>
10,672,398	11,210,480	12,722,693	13,127,460	13,309,137	13,212,228	11,968,936
1,897,958	2,189,968	2,354,943	1,968,048	1,776,214	1,841,235	1,864,107
13,124,223	14,876,186	16,750,809	13,185,520	14,788,333	12,018,855	11,269,584
<u>2,964,752</u>	<u>1,816,596</u>	<u>1,727,340</u>	<u>355,239</u>	<u>717,323</u>	<u>152,507</u>	<u>229,131</u>
10,159,471	13,059,590	15,023,469	12,830,281	14,071,010	11,866,348	11,040,453
602,748	1,553,157	1,147,774	857,123	1,284,442	933,593	1,004,713
1,356,261	2,215,606	1,922,932	1,664,413	4,173,511	1,316,923	-
4,553,459	4,430,984	3,227,509	2,191,542	5,264,725	-	-
5,261,498	6,096,009	3,553,435	2,584,432	-	-	-
6,227,237	6,075,857	3,596,042	-	-	-	-
6,245,867	6,072,265	-	-	-	-	-
6,341,816	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	11,655	52,658	229,131
10,159,471	13,059,590	15,023,469	12,830,281	14,071,010	11,866,348	11,152,665
10,544,208	11,089,183	13,476,514	9,931,360	11,165,895	7,459,445	-
8,960,177	8,764,340	7,993,393	6,530,271	7,946,789	-	-
7,810,478	6,001,966	4,566,640	4,252,955	-	-	-
6,764,103	6,111,019	3,791,318	-	-	-	-
6,736,435	6,179,079	-	-	-	-	-
6,768,862	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ (3,390,609)</u>	<u>\$ (6,880,511)</u>	<u>\$ (11,232,151)</u>	<u>\$ (8,577,326)</u>	<u>\$ (6,124,221)</u>	<u>\$ (4,406,903)</u>	<u>\$ 112,212</u>

## Michigan County Road Commission Self-Insurance Pool

	March 31, 2008			
	General Liability	Errors and Omissions	Property	Total
<b>Unpaid Claims and Claims Adjustment Expenses - Beginning of year</b>	\$ 21,797,919	\$ 1,305,382	\$ 1,147,016	\$ 24,250,317
Incurring claims and claims adjustment expenses:				
Provision for insured events of the current year	8,832,935	1,028,865	1,218,259	11,080,059
Increase (decrease) in provision for insured events of prior years	<u>(10,175,683)</u>	<u>(312,539)</u>	<u>(261,954)</u>	<u>(10,750,176)</u>
Total incurred claims and claims adjustment expenses	(1,342,748)	716,326	956,305	329,883
Payments:				
Claims and claims adjustment expenses attributable to insured events of the current year	170,807	115,777	718,129	1,004,713
Claims and claims adjustment expenses attributable to insured events of prior years	<u>1,697,771</u>	<u>274,559</u>	<u>102,985</u>	<u>2,075,315</u>
Total payments	1,868,578	390,336	821,114	3,080,028
Decrease (increase) in amount to be paid by reinsurance and excess insurance carriers	5,781	-	(2,485)	3,296
Decrease (increase) in present value discount	<u>124,371</u>	<u>-</u>	<u>5,702</u>	<u>130,073</u>
<b>Unpaid Claims and Claims Adjustment Expenses - End of year</b>	<b><u>\$ 18,716,745</u></b>	<b><u>\$ 1,631,372</u></b>	<b><u>\$ 1,285,424</u></b>	<b><u>\$ 21,633,541</u></b>

## Reconciliation of Claims Liabilities by Type of Contract

March 31, 2007			
General Liability	Errors and Omissions	Property	Total
\$ 24,772,460	\$ 1,169,107	\$ 1,079,248	\$ 27,020,815
10,233,200	694,257	1,047,508	11,974,965
<u>(10,828,105)</u>	<u>67,933</u>	<u>(5,354)</u>	<u>(10,765,526)</u>
(594,905)	762,190	1,042,154	1,209,439
142,733	95,584	695,276	933,593
<u>3,179,763</u>	<u>520,034</u>	<u>289,312</u>	<u>3,989,109</u>
3,322,496	615,618	984,588	4,922,702
731,196	1	16,478	747,675
<u>211,664</u>	<u>(10,298)</u>	<u>(6,276)</u>	<u>195,090</u>
<b><u>\$ 21,797,919</u></b>	<b><u>\$ 1,305,382</u></b>	<b><u>\$ 1,147,016</u></b>	<b><u>\$ 24,250,317</u></b>

## **Other Supplemental Information**

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# Michigan County Road Commission Self-Insurance Pool

	1995-1996 Policy Year	1996-1997 Policy Year	1997-1998 Policy Year	1998-1999 Policy Year	1999-2000 Policy Year	2000-2001 Policy Year	2001-2002 Policy Year
<b>Revenue - Member contributions</b>	\$ 15,266,473	\$ 15,149,791	\$ 14,759,107	\$ 14,793,180	\$ 14,386,635	\$ 14,576,954	\$ 14,810,048
<b>Expenses</b>							
Provision for claims:							
Payments	4,725,098	9,692,935	7,277,489	4,127,683	5,356,155	6,372,028	6,341,816
Increase in allowances for unsettled claims and claims incurred but not reported	-	-	-	-	265,665	-	423,932
Reinsurance and excess insurance premiums	4,434,153	4,272,028	4,308,984	4,184,576	3,928,497	4,007,943	4,353,993
Service fee	1,225,982	1,493,069	1,420,000	1,352,850	1,333,240	1,222,863	1,092,350
Administrative expenses:							
Salaries and wages	125,599	131,660	140,127	172,093	182,094	204,758	253,320
Taxes and insurance	12,027	12,132	14,160	15,826	17,350	21,168	21,022
Professional fees	116,690	105,289	170,622	136,295	133,285	128,317	83,743
Office expenses	31,607	37,321	49,886	49,802	44,060	47,552	61,376
Other	82,943	91,446	219,487	86,993	100,422	122,748	124,703
<b>Total expenses</b>	<b>10,754,099</b>	<b>15,835,880</b>	<b>13,600,755</b>	<b>10,126,118</b>	<b>11,360,768</b>	<b>12,127,377</b>	<b>12,756,255</b>
<b>Operating Income (Loss) -</b>							
Before other income (expenses) and distributions to members	4,512,374	(686,089)	1,158,352	4,667,062	3,025,867	2,449,577	2,053,793
<b>Other Income (Expenses)</b>							
Interest and dividend income	4,273,074	1,542,537	1,600,151	2,324,493	1,506,280	1,286,063	1,226,795
Investment expenses	(131,739)	(151,056)	(180,246)	(180,724)	(185,420)	(166,882)	(93,929)
Realized and unrealized gains (losses) on investments	6,485,472	4,170,884	892,903	598,723	(197,799)	(260,441)	60,822
<b>Net investment income</b>	<b>10,626,807</b>	<b>5,562,365</b>	<b>2,312,808</b>	<b>2,742,492</b>	<b>1,123,061</b>	<b>858,740</b>	<b>1,193,688</b>
Rental income	88,104	82,290	79,099	81,612	95,496	84,069	93,075
Rental expenses	(57,157)	(60,764)	(100,369)	(120,666)	(99,476)	(126,059)	(114,103)
<b>Total other income</b>	<b>10,657,754</b>	<b>5,583,891</b>	<b>2,291,538</b>	<b>2,703,438</b>	<b>1,119,081</b>	<b>816,750</b>	<b>1,172,660</b>
<b>Excess of Revenue Over (Under)</b>							
Expenses - Before distributions to members	15,170,128	4,897,802	3,449,890	7,370,500	4,144,948	3,266,327	3,226,453
<b>Distributions to Members</b>	<b>(15,170,128)</b>	<b>(4,897,802)</b>	<b>(1,205,780)</b>	<b>(2,146,446)</b>	<b>(1,012,127)</b>	<b>(601,549)</b>	<b>(545,694)</b>
<b>Net Change in Net Assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,244,110</b>	<b>\$ 5,224,054</b>	<b>\$ 3,132,821</b>	<b>\$ 2,664,778</b>	<b>\$ 2,680,759</b>

**Schedule of Changes in Net Assets by Policy Year  
for All Open Years From April 1, 1995  
Through March 31, 2008**

2002-2003 Policy Year	2003-2004 Policy Year	2004-2005 Policy Year	2005-2006 Policy Year	2006-2007 Policy Year	2007-2008 Policy Year	Total
\$ 15,964,448	\$ 18,561,140	\$ 19,721,992	\$ 19,196,911	\$ 19,292,765	\$ 18,653,476	\$ 215,132,920
6,072,265	3,596,042	2,584,432	5,264,725	1,316,923	1,004,713	63,732,304
107,384	196,301	1,666,392	2,728,364	6,209,763	10,035,740	21,633,541
4,468,305	6,526,885	6,663,120	6,750,211	6,812,829	6,689,528	67,401,052
1,129,521	1,143,505	1,013,187	850,008	829,992	822,000	14,928,567
330,400	340,081	367,364	403,346	426,003	409,790	3,486,635
105,505	129,273	148,324	155,665	185,490	194,070	1,032,012
164,563	179,828	182,583	139,634	182,687	177,465	1,901,001
81,509	126,358	106,357	61,404	47,587	67,440	812,259
118,912	111,333	122,588	126,317	130,555	193,342	1,631,789
<u>12,578,364</u>	<u>12,349,606</u>	<u>12,854,347</u>	<u>16,479,674</u>	<u>16,141,829</u>	<u>19,594,088</u>	<u>176,559,160</u>
3,386,084	6,211,534	6,867,645	2,717,237	3,150,936	(940,612)	38,573,760
1,169,384	1,355,118	1,491,943	858,909	661,108	815,720	20,111,575
(158,298)	(213,467)	(210,886)	(295,799)	(305,900)	(216,564)	(2,490,910)
<u>752,710</u>	<u>1,156,406</u>	<u>972,161</u>	<u>1,039,495</u>	<u>438,144</u>	<u>(570,764)</u>	<u>15,538,716</u>
1,763,796	2,298,057	2,253,218	1,602,605	793,352	28,392	33,159,381
92,914	97,365	97,027	80,789	74,978	80,896	1,127,714
(101,260)	(111,098)	(106,935)	(124,388)	(112,400)	(104,300)	(1,338,975)
<u>1,755,450</u>	<u>2,284,324</u>	<u>2,243,310</u>	<u>1,559,006</u>	<u>755,930</u>	<u>4,988</u>	<u>32,948,120</u>
5,141,534	8,495,858	9,110,955	4,276,243	3,906,866	(935,624)	71,521,880
(826,804)	(757,637)	(586,043)	(49,032)	-	-	(27,799,042)
<u>\$ 4,314,730</u>	<u>\$ 7,738,221</u>	<u>\$ 8,524,912</u>	<u>\$ 4,227,211</u>	<u>\$ 3,906,866</u>	<u>\$ (935,624)</u>	<u>\$ 43,722,838</u>

# Michigan County Road Commission Self-Insurance Pool

	1995-1996 Policy Year	1996-1997 Policy Year	1997-1998 Policy Year	1998-1999 Policy Year	1999-2000 Policy Year	2000-2001 Policy Year	2001-2002 Policy Year
<b>Revenue - Member contributions</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Expenses</b>							
Provision for claims:							
Payments	-	-	55,347	-	15,750	1,820	95,949
Increase in (reduction to) allowances for unsettled claims and claims incurred but not reported	-	-	(55,947)	-	11,356	(137,258)	(66,636)
Reinsurance and excess insurance premiums	-	-	-	-	-	-	-
Service fee	-	-	-	-	-	-	-
Administrative expenses:							
Salaries and wages	-	-	-	-	-	-	-
Taxes and insurance	-	-	-	-	-	-	-
Professional fees	-	-	-	-	-	-	-
Office expenses	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Total expenses</b>	-	-	(600)	-	27,106	(135,438)	29,313
<b>Operating Income (Loss) -</b>							
Before other income (expenses) and distributions to members	-	-	600	-	(27,106)	135,438	(29,313)
<b>Other Income (Expenses)</b>							
Interest and dividend income	-	-	81,857	190,607	124,903	92,286	114,462
Investment expenses	-	-	-	-	-	-	-
Realized and unrealized gains on investments	-	-	(57,277)	(133,370)	(87,395)	(64,573)	(80,090)
<b>Net investment income</b>	-	-	24,580	57,237	37,508	27,713	34,372
Rental income	-	-	-	-	-	-	-
Rental expenses	-	-	-	-	-	-	-
<b>Total other income</b>	-	-	24,580	57,237	37,508	27,713	34,372
<b>Excess of Revenue Over (Under) Expenses - Before distributions to members</b>	-	-	25,180	57,237	10,402	163,151	5,059
<b>Distributions to Members</b>	(6,853,383)	(1,997,941)	(107,352)	(249,972)	(151,063)	(121,029)	(129,451)
<b>Net Change in Net Assets</b>	<u>\$ (6,853,383)</u>	<u>\$ (1,997,941)</u>	<u>\$ (82,172)</u>	<u>\$ (192,735)</u>	<u>\$ (140,661)</u>	<u>\$ 42,122</u>	<u>\$ (124,392)</u>



## Schedule of Changes in Net Assets by Policy Year Fiscal Year Ended March 31, 2008

2002-2003 Policy Year	2003-2004 Policy Year	2004-2005 Policy Year	2005-2006 Policy Year	2006-2007 Policy Year	2007-2008 Policy Year	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,653,476	\$ 18,653,476
(3,592)	42,607	389,584	1,094,519	383,331	1,004,713	3,080,028
72,222	(816,904)	(2,672,337)	(4,264,020)	(4,722,992)	10,035,740	(2,616,776)
-	-	-	-	-	6,689,528	6,689,528
-	-	-	-	-	822,000	822,000
-	-	-	-	-	409,790	409,790
-	-	-	-	-	194,070	194,070
-	-	-	-	-	177,465	177,465
-	-	-	-	-	67,440	67,440
-	-	-	-	-	45,193	45,193
-	-	-	-	-	148,149	148,149
<u>68,630</u>	<u>(774,297)</u>	<u>(2,282,753)</u>	<u>(3,169,501)</u>	<u>(4,339,661)</u>	<u>19,594,088</u>	<u>9,016,887</u>
(68,630)	774,297	2,282,753	3,169,501	4,339,661	(940,612)	9,636,589
163,830	261,213	288,752	136,330	208,327	815,720	2,478,287
-	-	-	-	-	(216,564)	(216,564)
<u>(114,633)</u>	<u>(182,773)</u>	<u>(202,042)</u>	<u>(95,391)</u>	<u>(145,768)</u>	<u>(570,764)</u>	<u>(1,734,076)</u>
49,197	78,440	86,710	40,939	62,559	28,392	527,647
-	-	-	-	-	80,896	80,896
-	-	-	-	-	(104,300)	(104,300)
<u>49,197</u>	<u>78,440</u>	<u>86,710</u>	<u>40,939</u>	<u>62,559</u>	<u>4,988</u>	<u>504,243</u>
(19,433)	852,737	2,369,463	3,210,440	4,402,220	(935,624)	10,140,832
<u>(209,689)</u>	<u>(333,124)</u>	<u>(297,964)</u>	<u>(49,032)</u>	<u>-</u>	<u>-</u>	<u>(10,500,000)</u>
<u>\$ (229,122)</u>	<u>\$ 519,613</u>	<u>\$ 2,071,499</u>	<u>\$ 3,161,408</u>	<u>\$ 4,402,220</u>	<u>\$ (935,624)</u>	<u>\$ (359,168)</u>

# Michigan County Road Commission Self-Insurance Pool

## Budget-to-Actual Table Twelve-month Period Ended March 31, 2008

	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenue</b>			
Member contributions	\$ 18,664,720	\$ 18,653,476	\$ (11,244)
Investment income	3,000,000	744,211	(2,255,789)
Rental income	30,000	80,896	50,896
<b>Expenses</b>			
Provision for claims:			
Payments	-	3,080,028	(3,080,028)
Reductions to allowance for unsettled claims and claims incurred but not reported	-	(2,616,776)	2,616,776
Reinsurance and excess insurance premiums and state assessments	6,792,252	6,689,528	102,724
Service fee	822,000	822,000	-
Administrative expenses	1,056,639	1,042,107	14,532

## Statistical Section

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This part of the Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplemental information says about the Pool's overall financial health.

The statistical section is organized into the following main categories:

- Financial trends
- Revenue capacity
- Demographic and economic information
- Operating information

**Sources:** Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. The Pool implemented GASB Statement 34 in 2004; schedules presenting financial information include information beginning in that year.

## **Financial Trends**

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These schedules contain trend information to help the reader understand how the Pool's financial performance and well-being have changed over time.

# Michigan County Road Commission Self-Insurance Pool

## Financial Trend Information Net Assets by Component

	March 31			
	2005	2006	2007	2008
<b>Net Assets by Component</b>				
Invested in capital assets - Net of related debt	\$ 281,752	\$ 414,883	\$ 422,261	\$ 419,817
Unrestricted	35,023,075	43,753,272	43,659,745	43,303,021
<b>Total Net Assets</b>	<b>\$ 35,304,827</b>	<b>\$ 44,168,155</b>	<b>\$ 44,082,006</b>	<b>\$ 43,722,838</b>

# Michigan County Road Commission Self-Insurance Pool

	Year Ended March 31			
	1999	2000	2001	2002
<b>Revenues - Member contributions</b>	\$ 14,793,180	\$ 14,386,635	\$ 14,576,954	\$ 14,810,048
<b>Expenses</b>				
Provision for claims:				
Payments	6,306,020	7,284,074	7,805,692	4,135,468
Increase (decrease) in allowance for unsettled claims and claims incurred but not reported	(285,023)	(23,307)	(1,254,000)	140,372
Reinsurance and excess insurance premiums and state assessments	4,184,576	3,928,497	4,007,943	4,353,993
Service fee	1,352,850	1,333,240	1,222,863	1,092,350
Administrative expenses:				
Salaries and wages	172,093	182,094	204,758	253,320
Taxes and insurance	15,826	17,350	21,168	21,022
Professional fees	136,295	133,285	128,317	83,743
Office expenses	49,802	44,060	47,552	61,376
Other	86,993	100,422	122,748	124,703
Total expenses	<u>12,019,432</u>	<u>12,999,715</u>	<u>12,307,041</u>	<u>10,266,347</u>
<b>Excess of Revenue Over Expenses</b>	2,773,748	1,386,920	2,269,913	4,543,701
<b>Other Income (Expenses)</b>				
Interest and dividend income	2,956,471	2,747,371	2,254,502	2,439,643
Realized and unrealized gains (losses) on investments	7,454,193	4,344,610	(6,752,565)	791,519
Investment expenses	(180,724)	(185,420)	(166,882)	(147,341)
Rental income	81,612	95,496	84,069	93,075
Rental expenses and depreciation	(120,666)	(99,476)	(126,059)	(114,103)
Total other income (expenses)	10,190,886	6,902,581	(4,706,935)	3,062,793
Distributions to members	<u>(11,006,953)</u>	<u>(17,000,000)</u>	<u>(10,000,000)</u>	<u>(3,300,000)</u>
<b>Net Change in Net Assets</b>	<u><b>\$ 1,957,681</b></u>	<u><b>\$ (8,710,499)</b></u>	<u><b>\$ (12,437,022)</b></u>	<u><b>\$ 4,306,494</b></u>

**Financial Trend Information**  
**Comparative Schedule of Revenue and Expenses**  
**Years Ended March 31, 1999 through March 31, 2008**

Year Ended March 31					
2003	2004	2005	2006	2007	2008
\$ 15,964,448	\$ 18,561,140	\$ 19,721,992	\$ 19,196,911	\$ 19,292,765	\$ 18,653,476
5,279,417	7,695,461	6,347,631	6,445,720	4,922,702	3,080,028
2,947,099	(450,726)	(649,511)	(4,939,259)	(2,770,498)	(2,616,776)
4,468,305	6,526,885	6,663,120	6,750,211	6,812,829	6,689,528
1,129,521	1,143,505	1,013,187	850,008	829,992	822,000
330,400	340,081	367,364	403,346	426,003	409,790
105,505	129,273	148,324	155,665	185,490	194,070
164,563	179,828	182,583	139,634	182,687	177,465
81,509	126,358	106,357	61,404	47,587	67,440
118,912	111,333	122,588	126,317	130,555	148,149
14,625,231	15,801,998	14,301,643	9,993,046	10,767,347	8,971,694
1,339,217	2,759,142	5,420,349	9,203,865	8,525,418	9,681,782
2,533,282	2,521,407	2,403,162	2,342,451	2,503,374	2,478,287
(7,101,535)	7,131,984	(694,600)	4,156,410	3,228,381	(1,734,076)
(158,298)	(213,467)	(210,886)	(295,799)	(305,900)	(216,564)
92,914	97,365	97,027	80,789	74,978	80,896
(101,260)	(111,098)	(106,935)	(124,388)	(112,400)	(149,493)
(4,734,897)	9,426,191	1,487,768	6,159,463	5,388,433	459,050
(2,500,000)	-	(6,100,000)	(6,500,000)	(14,000,000)	(10,500,000)
<b>\$ (5,895,680)</b>	<b>\$ 12,185,333</b>	<b>\$ 808,117</b>	<b>\$ 8,863,328</b>	<b>\$ (86,149)</b>	<b>\$ (359,168)</b>

## **Revenue Capacity**

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These schedules contain information to help the reader assess the Pool's most significant revenue source, member contributions.



# Michigan County Road Commission Self-Insurance Pool

## Revenue Capacity Total Insured Value and Member Contributions

Contribution Amounts						
Policy Year	Fiscal Year Ended March 31	Scheduled Value of Covered Assets	Physical Damage	Liability and Other	State Assessments	Total Member Contributions
1998	1999	\$ 590,909,779	\$ 861,161	\$ 13,890,100	\$ 41,919	\$ 14,793,180
1999	2000	615,628,732	1,016,042	13,314,490	56,103	14,386,635
2000	2001	626,897,723	1,132,706	13,385,966	58,282	14,576,954
2001	2002	661,059,084	1,290,076	13,420,398	99,574	14,810,048
2002	2003	729,228,643	1,641,083	13,920,104	403,261	15,964,448
2003	2004	752,622,748	2,286,784	15,759,904	514,452	18,561,140
2004	2005	796,162,206	2,575,331	16,609,874	536,787	19,721,992
2005	2006	913,704,783	2,716,434	15,739,316	741,161	19,196,911
2006	2007	937,907,805	2,900,302	15,546,499	845,964	19,292,765
2007	2008	949,522,836	3,076,663	14,720,664	856,149	18,653,476

Member contributions are determined using an allocation method of the required expenses to be incurred divided into the insured values of the covered assets by type at March 31 of the previous fiscal year.

## Michigan County Road Commission Self-Insurance Pool

### Revenue Capacity Principal Member Contributions

Member Road Commission	2007-2008	Percentage of Total	1997-1998	Percentage of Total	1999 Rank
	Policy Year Contributions		Policy Year Contributions		
1 Genesee	\$ 819,698	4.39	\$ 667,488	4.79	1
2 Kent	788,660	4.23	631,908	4.53	2
3 Washtenaw	588,006	3.15	472,355	3.39	3
4 Jackson	563,548	3.02	420,805	3.02	6
5 St. Clair	524,366	2.81	429,445	3.08	5
6 Monroe	475,651	2.55	430,075	3.08	4
7 Ingham	470,928	2.52	340,489	2.44	10
8 Kalamazoo	445,287	2.39	391,817	2.81	7
9 Ottawa	439,964	2.36	307,545	2.20	11
10 Livingston	433,641	2.32	390,863	2.80	8
Total	<u>\$ 5,549,749</u>	<u>29.75</u>	<u>\$ 4,482,790</u>	<u>32.15</u>	

# Michigan County Road Commission Self-Insurance Pool

## Revenue Capacity Aging of Receivables

Policy Year	Fiscal Year Ended March 31	Aging of Members' Receivables			Total Members' Receivables
		0-30	31-90	> 90	
1998	1999	\$ 2,120	\$ -	\$ 150	\$ 2,270
1999	2000	6,838	-	680,057	686,895
2000	2001	61,939	-	22,279	84,218
2001	2002	66,809	-	-	66,809
2002	2003	29,390	-	-	29,390
2003	2004	35,000	-	-	35,000
2004	2005	14,945	-	-	14,945
2005	2006	4,766	-	-	4,766
2006	2007	13,000	-	-	13,000
2007	2008	3,000	-	-	3,000

## **Demographics and Economic Information**

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These schedules offer demographic and economic indicators to help the reader understand the environment within which the Pool's financial activities take place.

## Michigan County Road Commission Self-Insurance Pool

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	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
General liability	\$ 2,345,725	\$ 3,838,565	\$ 4,764,210	\$ 5,458,566
Truckline liability	584,716	1,050,344	666,889	381,353
Errors and omissions	765,164	130,490	378,056	182,429
Property	<u>432,078</u>	<u>600,100</u>	<u>562,873</u>	<u>653,131</u>
Total	<u><b>\$ 4,127,683</b></u>	<u><b>\$ 5,619,499</b></u>	<u><b>\$ 6,372,028</b></u>	<u><b>\$ 6,675,479</b></u>

**Demographics and Economic Information**  
**Reported Losses (Paid Losses Plus Case Reserves): All Coverages**

2003	2004	2005	2006	2007	2008
\$ 3,984,054	\$ 1,523,253	\$ 1,767,469	\$ 3,335,539	\$ 637,621	\$ 413,174
453,700	755,501	144,813	75,902	92,820	80,757
161,438	227,887	242,474	1,111,388	187,609	722,997
<u>1,499,219</u>	<u>1,141,602</u>	<u>1,201,991</u>	<u>1,211,434</u>	<u>799,106</u>	<u>1,123,662</u>
<b><u>\$ 6,098,411</u></b>	<b><u>\$ 3,648,243</u></b>	<b><u>\$ 3,356,747</u></b>	<b><u>\$ 5,734,263</u></b>	<b><u>\$ 1,717,156</u></b>	<b><u>\$ 2,340,590</u></b>

# Michigan County Road Commission Self-Insurance Pool

## Demographics and Economic Information Claim Activity for the Ten-year Period Ended March 31, 2008

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General liability	79	63	92	74	76	59	55	57	43	40
Trunkline liability	15	26	22	28	23	35	27	14	36	38
Errors and omissions	9	10	10	7	5	4	11	15	8	10
Property	<u>86</u>	<u>80</u>	<u>89</u>	<u>120</u>	<u>111</u>	<u>125</u>	<u>112</u>	<u>113</u>	<u>111</u>	<u>114</u>
Total	<u>189</u>	<u>179</u>	<u>213</u>	<u>229</u>	<u>215</u>	<u>223</u>	<u>205</u>	<u>199</u>	<u>198</u>	<u>202</u>
Claims settled in full	189	178	213	227	214	222	199	193	188	145
Claims pending	<u>-</u>	<u>1</u>	<u>-</u>	<u>2</u>	<u>1</u>	<u>1</u>	<u>6</u>	<u>6</u>	<u>10</u>	<u>57</u>
Total	<u>189</u>	<u>179</u>	<u>213</u>	<u>229</u>	<u>215</u>	<u>223</u>	<u>205</u>	<u>199</u>	<u>198</u>	<u>202</u>
Number of members	<u>73</u>	<u>73</u>	<u>74</u>	<u>77</u>	<u>78</u>	<u>79</u>	<u>79</u>	<u>79</u>	<u>79</u>	<u>79</u>

# Michigan County Road Commission Self-Insurance Pool

## Demographics and Economic Information Statistics

Fiscal Year	Total		Total	Total	Total	Total	
Ending	Number of	Total Scheduled	Private	Total	Total	Total	Government
March 31	Members	Values	Passenger	Number of	Number of	Miles of	Employees
			Vehicles	Trucks	Trailers	Streets	
1999	73	\$ 590,909,779	1,576	3,212	499	75,621	4,000
2000	73	615,628,732	1,575	3,197	501	75,621	4,196
2001	74	626,897,723	1,732	3,220	708	76,325	4,196
2002	77	661,059,084	1,697	3,508	807	78,831	4,222
2003	78	729,228,643	1,669	3,554	816	79,700	4,411
2004	79	752,622,748	1,725	3,582	847	81,666	4,466
2005	79	796,162,206	1,728	3,586	849	81,693	4,441
2006	79	913,704,783	1,589	3,399	855	81,712	4,155
2007	79	937,907,805	1,709	3,684	897	81,712	4,325
2008	79	949,522,836	1,675	3,656	906	81,712	4,325



# **Michigan County Road Commission Self-Insurance Pool**

## **Demographics and Economic Information Scope of Coverages**

Coverages available to members of the Pool for the year ended March 31, 2008 are as follows:

### **Liability:**

- *\$10.5 M/Occurrence (\$2 M SIR)*
  - Comprehensive general liability
  - Host liquor liability
  - Contractual liability
  - Umbrella liability
  - Auto liability

### **Employment Practices Liability/Public Officials E&O:**

- *\$10.0 M/Occurrence (\$500 K SIR; \$10 M Aggregate - Claims Made)*

### **Property:**

- *Values per schedules on file. \$100 M Excess Limit (\$1 M any one loss SIR; \$1.5 M any one combined loss; \$2 M Policy Annual Aggregate Stop Loss)*

### **Crime:**

- *Blanket policy with limits from \$25,000 to \$1 M per covered employee*
  - Money and securities
  - Employee fidelity
  - Depositor's forgery

## **Operating Information**

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These schedules contain service data to help the reader understand how the information in the Pool's financial report relates to the services the Pool provides and the activities it performs.

## Michigan County Road Commission Self-Insurance Pool

Evaluation as of March 31:

Accident Year	1999	2000	2001	2002	2003
1999	\$ 555,130	\$ 1,805,477	\$ 3,184,325	\$ 3,692,345	\$ 3,958,263
2000	-	653,977	2,137,392	3,822,917	4,754,297
2001	-	-	830,883	1,719,653	3,473,137
2002	-	-	-	602,748	1,356,261
2003	-	-	-	-	1,533,157
2004	-	-	-	-	-
2005	-	-	-	-	-
2006	-	-	-	-	-
2007	-	-	-	-	-
2008	-	-	-	-	-
Total	<u>\$ 555,130</u>	<u>\$ 2,459,454</u>	<u>\$ 6,152,600</u>	<u>\$ 9,837,663</u>	<u>\$ 15,075,115</u>

Loss Payments (Recoveries) During Year Ended March 31:

Accident Year	1999	2000	2001	2002	2003
1999	\$ 555,130	\$ 1,250,347	\$ 1,378,848	\$ 508,020	\$ 265,918
2000	-	653,977	1,483,415	1,685,525	931,380
2001	-	-	830,883	888,770	1,753,484
2002	-	-	-	602,748	753,513
2003	-	-	-	-	1,533,157
2004	-	-	-	-	-
2005	-	-	-	-	-
2006	-	-	-	-	-
2007	-	-	-	-	-
2008	-	-	-	-	-
Total	<u>\$ 555,130</u>	<u>\$ 1,904,324</u>	<u>\$ 3,693,146</u>	<u>\$ 3,685,063</u>	<u>\$ 5,237,452</u>

**Loss Development Through March 31, 2008**  
**Paid Losses: All Coverages**

2004	2005	2006	2007	2008
\$ 3,921,255	\$ 4,126,098	\$ 4,127,683	\$ 4,127,683	\$ 4,127,683
5,308,364	5,328,847	5,336,891	5,340,405	5,356,155
4,874,555	6,341,440	6,349,539	6,370,208	6,372,028
4,553,459	5,261,498	6,227,237	6,245,867	6,341,816
2,215,606	4,430,984	6,096,009	6,075,857	6,072,265
1,147,774	1,922,932	3,227,509	3,553,435	3,596,042
-	857,123	1,664,413	2,191,542	2,584,432
-	-	1,284,442	4,173,511	5,264,725
-	-	-	933,593	1,316,923
-	-	-	-	1,004,713
<b><u>\$ 22,021,013</u></b>	<b><u>\$ 28,268,922</u></b>	<b><u>\$ 34,313,723</u></b>	<b><u>\$ 39,012,101</u></b>	<b><u>\$ 42,036,782</u></b>

2004	2005	2006	2007	2008	Total
\$ (37,008)	\$ 204,843	\$ 1,585	\$ -	\$ -	\$ 4,127,683
554,067	20,483	8,044	3,514	15,750	5,356,155
1,401,418	1,466,885	8,099	20,669	1,820	6,372,028
3,197,198	708,039	965,739	18,630	95,949	6,341,816
682,449	2,215,378	1,665,025	(20,152)	(3,592)	6,072,265
1,147,774	775,158	1,304,577	325,926	42,607	3,596,042
-	857,123	807,290	527,129	392,890	2,584,432
-	-	1,284,442	2,889,069	1,091,214	5,264,725
-	-	-	933,593	383,330	1,316,923
-	-	-	-	1,004,713	1,004,713
<b><u>\$ 6,945,898</u></b>	<b><u>\$ 6,247,909</u></b>	<b><u>\$ 6,044,801</u></b>	<b><u>\$ 4,698,378</u></b>	<b><u>\$ 3,024,681</u></b>	<b><u>\$ 42,036,782</u></b>

## Michigan County Road Commission Self-Insurance Pool

Evaluation as of March 31:

Accident Year	1999	2000	2001	2002	2003
1999	\$ 1,923,471	\$ 3,349,781	\$ 5,106,144	\$ 3,146,997	\$ 1,773,742
2000	-	2,793,051	2,384,599	3,667,899	1,646,002
2001	-	-	2,730,398	4,691,274	4,043,894
2002	-	-	-	2,560,971	5,384,830
2003	-	-	-	-	1,519,670
2004	-	-	-	-	-
2005	-	-	-	-	-
2006	-	-	-	-	-
2007	-	-	-	-	-
2008	-	-	-	-	-
Total	<u>\$ 1,923,471</u>	<u>\$ 6,142,832</u>	<u>\$ 10,221,141</u>	<u>\$ 14,067,141</u>	<u>\$ 14,368,138</u>

Change in Case Reserves During Year Ended March 31:

Accident Year	1999	2000	2001	2002	2003
1999	\$ 1,923,471	\$ 1,426,310	\$ 1,756,363	\$ (1,959,147)	\$ (1,373,255)
2000	-	2,793,051	(408,452)	1,283,300	(2,021,897)
2001	-	-	2,730,398	1,960,876	(647,380)
2002	-	-	-	2,560,971	2,823,859
2003	-	-	-	-	1,519,670
2004	-	-	-	-	-
2005	-	-	-	-	-
2006	-	-	-	-	-
2007	-	-	-	-	-
2008	-	-	-	-	-
Total	<u>\$ 1,923,471</u>	<u>\$ 4,219,361</u>	<u>\$ 4,078,309</u>	<u>\$ 3,846,000</u>	<u>\$ 300,997</u>

**Loss Development Through March 31, 2008**  
**Case Reserves: All Coverages**

2004	2005	2006	2007	2008
\$ 243,051	\$ -	\$ -	\$ -	\$ -
277,593	177,258	267,643	254,309	263,344
2,855,354	77,125	80,222	137,258	-
3,178,852	1,619,918	507,512	490,568	333,663
2,858,596	3,286,470	295,175	10,122	26,146
2,314,250	3,641,896	1,526,306	392,821	52,201
-	599,144	1,799,949	2,188,624	772,315
-	-	3,147,510	885,538	469,538
-	-	-	430,011	400,233
-	-	-	-	1,335,877
<b><u>\$ 11,727,696</u></b>	<b><u>\$ 9,401,811</u></b>	<b><u>\$ 7,624,317</u></b>	<b><u>\$ 4,789,251</u></b>	<b><u>\$ 3,653,317</u></b>

2004	2005	2006	2007	2008	Total
\$ (1,530,691)	\$ (243,051)	\$ -	\$ -	\$ -	\$ -
(1,368,409)	(100,335)	90,385	(13,334)	9,035	263,344
(1,188,540)	(2,778,229)	3,097	57,036	(137,258)	-
(2,205,978)	(1,558,934)	(1,112,406)	(16,944)	(156,905)	333,663
1,338,926	427,874	(2,991,295)	(285,053)	16,024	26,146
2,314,250	1,327,646	(2,115,590)	(1,133,485)	(340,620)	52,201
-	599,144	1,200,805	388,675	(1,416,309)	772,315
-	-	3,147,510	(2,261,972)	(416,000)	469,538
-	-	-	430,011	(29,778)	400,233
-	-	-	-	1,335,877	1,335,877
<b><u>\$ (2,640,442)</u></b>	<b><u>\$ (2,325,885)</u></b>	<b><u>\$ (1,777,494)</u></b>	<b><u>\$ (2,835,066)</u></b>	<b><u>\$ (1,135,934)</u></b>	<b><u>\$ 3,653,317</u></b>

## Michigan County Road Commission Self-Insurance Pool

Evaluation as of March 31:

Accident Year	1999	2000	2001	2002	2003
1999	\$ 2,478,601	\$ 5,155,258	\$ 8,290,469	\$ 6,839,342	\$ 5,732,005
2000	-	3,447,028	4,521,991	7,490,816	6,400,299
2001	-	-	3,561,281	6,410,927	7,517,031
2002	-	-	-	3,163,719	6,741,091
2003	-	-	-	-	3,052,827
2004	-	-	-	-	-
2005	-	-	-	-	-
2006	-	-	-	-	-
2007	-	-	-	-	-
2008	-	-	-	-	-
Total	<u>\$ 2,478,601</u>	<u>\$ 8,602,286</u>	<u>\$ 16,373,741</u>	<u>\$ 23,904,804</u>	<u>\$ 29,443,253</u>

Incremental Losses Reported During Year Ended March 31:

Accident Year	1999	2000	2001	2002	2003
1999	\$ 2,478,601	\$ 2,676,657	\$ 3,135,211	\$ (1,451,127)	\$ (1,107,337)
2000	-	3,447,028	1,074,963	2,968,825	(1,090,517)
2001	-	-	3,561,281	2,849,646	1,106,104
2002	-	-	-	3,163,719	3,577,372
2003	-	-	-	-	3,052,827
2004	-	-	-	-	-
2005	-	-	-	-	-
2006	-	-	-	-	-
2007	-	-	-	-	-
2008	-	-	-	-	-
Total	<u>\$ 2,478,601</u>	<u>\$ 6,123,685</u>	<u>\$ 7,771,455</u>	<u>\$ 7,531,063</u>	<u>\$ 5,538,449</u>

**Loss Development Through March 31, 2008**  
**Reported Losses (Paid Losses Plus Case Reserves): All Coverages**

2004	2005	2006	2007	2008
\$ 4,164,306	\$ 4,126,098	\$ 4,127,683	\$ 4,127,683	\$ 4,127,683
5,585,957	5,506,105	5,604,534	5,594,714	5,619,499
7,729,909	6,418,565	6,429,761	6,507,466	6,372,028
7,732,311	6,881,416	6,734,749	6,736,435	6,675,479
5,074,202	7,717,454	6,391,184	6,085,979	6,098,411
3,462,024	5,564,828	4,753,815	3,946,256	3,648,243
-	1,456,267	3,464,362	4,380,166	3,356,747
-	-	4,431,952	5,059,049	5,734,263
-	-	-	1,363,604	1,717,156
-	-	-	-	2,340,590
<b>\$ 33,748,709</b>	<b>\$ 37,670,733</b>	<b>\$ 41,938,040</b>	<b>\$ 43,801,352</b>	<b>\$ 45,690,099</b>

2004	2005	2006	2007	2008	Total
\$ (1,567,699)	\$ (38,208)	\$ 1,585	\$ -	\$ -	\$ 4,127,683
(814,342)	(79,852)	98,429	(9,820)	24,785	5,619,499
212,878	(1,311,344)	11,196	77,705	(135,438)	6,372,028
991,220	(850,895)	(146,667)	1,686	(60,956)	6,675,479
2,021,375	2,643,252	(1,326,270)	(305,205)	12,432	6,098,411
3,462,024	2,102,804	(811,013)	(807,559)	(298,013)	3,648,243
-	1,456,267	2,008,095	915,804	(1,023,419)	3,356,747
-	-	4,431,952	627,097	675,214	5,734,263
-	-	-	1,363,604	353,552	1,717,156
-	-	-	-	2,340,590	2,340,590
<b>\$ 4,305,456</b>	<b>\$ 3,922,024</b>	<b>\$ 4,267,307</b>	<b>\$ 1,863,312</b>	<b>\$ 1,888,747</b>	<b>\$ 45,690,099</b>



## Michigan County Road Commission Self-Insurance Pool

Evaluation as of March 31:

Accident Year	1999	2000	2001	2002	2003
1999	\$ 11,609,220	\$ 8,128,121	\$ 4,260,678	\$ 1,925,649	\$ 294,020
2000	-	11,101,828	8,893,479	5,182,432	2,198,979
2001	-	-	11,285,240	6,834,756	3,125,000
2002	-	-	-	11,120,560	6,481,685
2003	-	-	-	-	12,679,514
2004	-	-	-	-	-
2005	-	-	-	-	-
2006	-	-	-	-	-
2007	-	-	-	-	-
2008	-	-	-	-	-
Total	<u>\$ 11,609,220</u>	<u>\$ 19,229,949</u>	<u>\$ 24,439,397</u>	<u>\$ 25,063,397</u>	<u>\$ 24,779,198</u>

Change in Incurred but not Reported Reserves During Year Ended March 31:

Accident Year	1999	2000	2001	2002	2003
1999	\$ 11,609,220	\$ (3,481,099)	\$ (3,867,443)	\$ (2,335,029)	\$ (1,631,629)
2000	-	11,101,828	(2,208,349)	(3,711,047)	(2,983,453)
2001	-	-	11,285,240	(4,450,484)	(3,709,756)
2002	-	-	-	11,120,560	(4,638,875)
2003	-	-	-	-	12,679,514
2004	-	-	-	-	-
2005	-	-	-	-	-
2006	-	-	-	-	-
2007	-	-	-	-	-
2008	-	-	-	-	-
Total	<u>\$ 11,609,220</u>	<u>\$ 7,620,729</u>	<u>\$ 5,209,448</u>	<u>\$ 624,000</u>	<u>\$ (284,199)</u>

\* Incurred but not reported reserves are net of discount.

**Loss Development Through March 31, 2008**  
**\* Incurred But Not Reported Reserves: All Coverages**

2004	2005	2006	2007	2008
\$ 111,616	\$ -	\$ -	\$ -	\$ -
690,871	2,292	-	-	-
752,986	716,173	104,899	-	-
1,620,913	1,272,407	144,318	-	93,383
7,942,658	2,774,787	768,554	25,040	80,668
12,691,486	7,581,802	1,963,122	620,384	143,075
-	12,942,908	6,466,997	2,150,105	896,208
-	-	9,639,058	6,106,846	2,212,526
-	-	-	10,502,744	5,742,289
-	-	-	-	8,812,075
<b><u>\$ 23,810,530</u></b>	<b><u>\$ 25,290,369</u></b>	<b><u>\$ 19,086,948</u></b>	<b><u>\$ 19,405,119</u></b>	<b><u>\$ 17,980,224</u></b>

2004	2005	2006	2007	2008	Total
\$ (182,404)	\$ (111,616)	\$ -	\$ -	\$ -	\$ -
(1,508,108)	(688,579)	(2,292)	-	-	-
(2,372,014)	(36,813)	(611,274)	(104,899)	-	-
(4,860,772)	(348,506)	(1,128,089)	(144,318)	93,383	93,383
(4,736,856)	(5,167,871)	(2,006,233)	(743,514)	55,628	80,668
12,691,486	(5,109,684)	(5,618,680)	(1,342,738)	(477,309)	143,075
-	12,942,908	(6,475,911)	(4,316,892)	(1,253,897)	896,208
-	-	9,639,058	(3,532,212)	(3,894,320)	2,212,526
-	-	-	10,502,744	(4,760,455)	5,742,289
-	-	-	-	8,812,075	8,812,075
<b><u>\$ (968,668)</u></b>	<b><u>\$ 1,479,839</u></b>	<b><u>\$ (6,203,421)</u></b>	<b><u>\$ 318,171</u></b>	<b><u>\$ (1,424,895)</u></b>	<b><u>\$ 17,980,224</u></b>

## Michigan County Road Commission Self-Insurance Pool

### Loss Development Through March 31, 2008 Reported Claim Counts: All Coverages

Evaluation as of March 31:

Accident Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
1999	95	158	176	179	189	189	189	189	189	189
2000	-	98	143	156	179	179	179	179	179	179
2001	-	-	107	175	209	213	213	213	213	213
2002	-	-	-	135	221	228	228	228	228	229
2003	-	-	-	-	143	202	214	215	215	215
2004	-	-	-	-	-	169	216	223	223	223
2005	-	-	-	-	-	-	160	191	204	205
2006	-	-	-	-	-	-	-	165	195	199
2007	-	-	-	-	-	-	-	-	169	198
2008	-	-	-	-	-	-	-	-	-	202
Total	<u>95</u>	<u>256</u>	<u>426</u>	<u>645</u>	<u>941</u>	<u>1,180</u>	<u>1,399</u>	<u>1,603</u>	<u>1,815</u>	<u>2,052</u>

# Michigan County Road Commission Self-Insurance Pool

## Loss Development Through March 31, 2008 Closed Claim Counts: All Coverages

Evaluation as of March 31:

Accident Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
1999	72	131	151	171	187	188	189	189	189	189
2000	-	71	115	139	170	176	178	178	178	178
2001	-	-	88	147	185	203	211	212	212	213
2002	-	-	-	104	188	209	220	225	225	227
2003	-	-	-	-	112	180	199	211	214	214
2004	-	-	-	-	-	128	194	211	219	222
2005	-	-	-	-	-	-	120	177	191	199
2006	-	-	-	-	-	-	-	116	182	193
2007	-	-	-	-	-	-	-	-	139	188
2008	-	-	-	-	-	-	-	-	-	145
Total	<u>72</u>	<u>202</u>	<u>354</u>	<u>561</u>	<u>842</u>	<u>1,084</u>	<u>1,311</u>	<u>1,519</u>	<u>1,749</u>	<u>1,968</u>

## Michigan County Road Commission Self-Insurance Pool

Evaluation as of March 31:

Accident Year	1999	2000	2001	2002	2003
1999	\$ 60,375	\$ 1,040,649	\$ 1,523,863	\$ 1,967,574	\$ 2,135,747
2000	-	57,062	1,118,090	2,633,876	3,486,439
2001	-	-	373,620	941,880	2,517,993
2002	-	-	-	88,502	394,512
2003	-	-	-	-	113,867
2004	-	-	-	-	-
2005	-	-	-	-	-
2006	-	-	-	-	-
2007	-	-	-	-	-
2008	-	-	-	-	-
Total	<u>\$ 60,375</u>	<u>\$ 1,097,711</u>	<u>\$ 3,015,573</u>	<u>\$ 5,631,832</u>	<u>\$ 8,648,558</u>

Loss Payments (Recoveries) During Year Ended March 31:

Accident Year	1999	2000	2001	2002	2003
1999	\$ 60,375	\$ 980,274	\$ 483,214	\$ 443,711	\$ 168,173
2000	-	57,062	1,061,028	1,515,786	852,563
2001	-	-	373,620	568,260	1,576,113
2002	-	-	-	88,502	306,010
2003	-	-	-	-	113,867
2004	-	-	-	-	-
2005	-	-	-	-	-
2006	-	-	-	-	-
2007	-	-	-	-	-
2008	-	-	-	-	-
Total	<u>\$ 60,375</u>	<u>\$ 1,037,336</u>	<u>\$ 1,917,862</u>	<u>\$ 2,616,259</u>	<u>\$ 3,016,726</u>

**Loss Development Through March 31, 2008**  
**Paid Losses: General Liability**

2004	2005	2006	2007	2008
\$ 2,151,510	\$ 2,356,353	\$ 2,345,725	\$ 2,345,725	\$ 2,345,725
3,551,798	3,563,523	3,555,957	3,559,471	3,575,221
3,822,221	4,734,513	4,741,721	4,762,390	4,764,210
3,470,449	4,045,575	5,010,324	5,028,954	5,124,903
322,460	2,470,557	4,005,815	3,961,410	3,957,908
96,938	240,941	1,238,806	1,426,008	1,471,052
-	59,016	240,252	622,263	995,154
-	-	119,375	2,329,262	3,198,630
-	-	-	80,955	275,090
-	-	-	-	90,050
<b><u>\$ 13,415,376</u></b>	<b><u>\$ 17,470,478</u></b>	<b><u>\$ 21,257,975</u></b>	<b><u>\$ 24,116,438</u></b>	<b><u>\$ 25,797,943</u></b>

2004	2005	2006	2007	2008	Total
\$ 15,763	\$ 204,843	\$ (10,628)	\$ -	\$ -	\$ 2,345,725
65,359	11,725	(7,566)	3,514	15,750	3,575,221
1,304,228	912,292	7,208	20,669	1,820	4,764,210
3,075,937	575,126	964,749	18,630	95,949	5,124,903
208,593	2,148,097	1,535,258	(44,405)	(3,502)	3,957,908
96,938	144,003	997,865	187,202	45,044	1,471,052
-	59,016	181,236	382,011	372,891	995,154
-	-	119,375	2,209,887	869,368	3,198,630
-	-	-	80,955	194,135	275,090
-	-	-	-	90,050	90,050
<b><u>\$ 4,766,818</u></b>	<b><u>\$ 4,055,102</u></b>	<b><u>\$ 3,787,497</u></b>	<b><u>\$ 2,858,463</u></b>	<b><u>\$ 1,681,505</u></b>	<b><u>\$ 25,797,943</u></b>

## Michigan County Road Commission Self-Insurance Pool

Evaluation as of March 31:

Accident Year	1999	2000	2001	2002	2003
1999	\$ 1,593,851	\$ 3,058,316	\$ 4,448,585	\$ 2,426,307	\$ 955,807
2000	-	1,781,456	2,254,109	3,494,845	1,428,383
2001	-	-	2,706,451	4,400,165	3,570,338
2002	-	-	-	2,343,077	5,301,418
2003	-	-	-	-	1,410,293
2004	-	-	-	-	-
2005	-	-	-	-	-
2006	-	-	-	-	-
2007	-	-	-	-	-
2008	-	-	-	-	-
Total	<u>\$ 1,593,851</u>	<u>\$ 4,839,772</u>	<u>\$ 9,409,145</u>	<u>\$ 12,664,394</u>	<u>\$ 12,666,239</u>

Change in Case Reserves During Year Ended March 31:

Accident Year	1999	2000	2001	2002	2003
1999	\$ 1,593,851	\$ 1,464,465	\$ 1,390,269	\$ (2,022,278)	\$ (1,470,500)
2000	-	1,781,456	472,653	1,240,736	(2,066,462)
2001	-	-	2,706,451	1,693,714	(829,827)
2002	-	-	-	2,343,077	2,958,341
2003	-	-	-	-	1,410,293
2004	-	-	-	-	-
2005	-	-	-	-	-
2006	-	-	-	-	-
2007	-	-	-	-	-
2008	-	-	-	-	-
Total	<u>\$ 1,593,851</u>	<u>\$ 3,245,921</u>	<u>\$ 4,569,373</u>	<u>\$ 3,255,249</u>	<u>\$ 1,845</u>

**Loss Development Through March 31, 2008**  
**Case Reserves: General Liability**

2004	2005	2006	2007	2008
\$ 243,051	\$ -	\$ -	\$ -	\$ -
245,008	177,258	267,643	254,309	263,344
2,477,298	77,125	80,222	137,258	-
2,996,423	1,437,489	507,512	490,568	333,663
2,746,182	2,192,067	172,172	10,122	26,146
2,093,249	3,040,296	1,526,306	392,821	52,201
-	318,080	1,767,069	2,188,624	772,315
-	-	2,544,059	570,885	136,909
-	-	-	91,800	362,531
-	-	-	-	323,124
<b><u>\$ 10,801,211</u></b>	<b><u>\$ 7,242,315</u></b>	<b><u>\$ 6,864,983</u></b>	<b><u>\$ 4,136,387</u></b>	<b><u>\$ 2,270,233</u></b>

2004	2005	2006	2007	2008	Total
\$ (712,756)	\$ (243,051)	\$ -	\$ -	\$ -	\$ -
(1,183,375)	(67,750)	90,385	(13,334)	9,035	263,344
(1,093,040)	(2,400,173)	3,097	57,036	(137,258)	-
(2,304,995)	(1,558,934)	(929,977)	(16,944)	(156,905)	333,663
1,335,889	(554,115)	(2,019,895)	(162,050)	16,024	26,146
2,093,249	947,047	(1,513,990)	(1,133,485)	(340,620)	52,201
-	318,080	1,448,989	421,555	(1,416,309)	772,315
-	-	2,544,059	(1,973,174)	(433,976)	136,909
-	-	-	91,800	270,731	362,531
-	-	-	-	323,124	323,124
<b><u>\$ (1,865,028)</u></b>	<b><u>\$ (3,558,896)</u></b>	<b><u>\$ (377,332)</u></b>	<b><u>\$ (2,728,596)</u></b>	<b><u>\$ (1,866,154)</u></b>	<b><u>\$ 2,270,233</u></b>



## Michigan County Road Commission Self-Insurance Pool

Evaluation as of March 31:

Accident Year	1999	2000	2001	2002	2003
1999	\$ 1,654,226	\$ 4,098,965	\$ 5,972,448	\$ 4,393,881	\$ 3,091,554
2000	-	1,838,518	3,372,199	6,128,721	4,914,822
2001	-	-	3,080,071	5,342,045	6,088,331
2002	-	-	-	2,431,579	5,695,930
2003	-	-	-	-	1,524,160
2004	-	-	-	-	-
2005	-	-	-	-	-
2006	-	-	-	-	-
2007	-	-	-	-	-
2008	-	-	-	-	-
Total	<u>\$ 1,654,226</u>	<u>\$ 5,937,483</u>	<u>\$ 12,424,718</u>	<u>\$ 18,296,226</u>	<u>\$ 21,314,797</u>

Incremental Losses Reported During Year Ended March 31:

Accident Year	1999	2000	2001	2002	2003
1999	\$ 1,654,226	\$ 2,444,739	\$ 1,873,483	\$ (1,578,567)	\$ (1,302,327)
2000	-	1,838,518	1,533,681	2,756,522	(1,213,899)
2001	-	-	3,080,071	2,261,974	746,286
2002	-	-	-	2,431,579	3,264,351
2003	-	-	-	-	1,524,160
2004	-	-	-	-	-
2005	-	-	-	-	-
2006	-	-	-	-	-
2007	-	-	-	-	-
2008	-	-	-	-	-
Total	<u>\$ 1,654,226</u>	<u>\$ 4,283,257</u>	<u>\$ 6,487,235</u>	<u>\$ 5,871,508</u>	<u>\$ 3,018,571</u>

**Loss Development Through March 31, 2008**  
**Reported Losses (Paid Losses Plus Case Reserves): General Liability**

2004	2005	2006	2007	2008
\$ 2,394,561	\$ 2,356,353	\$ 2,345,725	\$ 2,345,725	\$ 2,345,725
3,796,806	3,740,781	3,823,600	3,813,780	3,838,565
6,299,519	4,811,638	4,821,943	4,899,648	4,764,210
6,466,872	5,483,064	5,517,836	5,519,522	5,458,566
3,068,642	4,662,624	4,177,987	3,971,532	3,984,054
2,190,187	3,281,237	2,765,112	1,818,829	1,523,253
-	377,096	2,007,321	2,810,887	1,767,469
-	-	2,663,434	2,900,147	3,335,539
-	-	-	172,755	637,621
-	-	-	-	413,174
<b><u>\$ 24,216,587</u></b>	<b><u>\$ 24,712,793</u></b>	<b><u>\$ 28,122,958</u></b>	<b><u>\$ 28,252,825</u></b>	<b><u>\$ 28,068,176</u></b>

2004	2005	2006	2007	2008	Total
\$ (696,993)	\$ (38,208)	\$ (10,628)	\$ -	\$ -	\$ 2,345,725
(1,118,016)	(56,025)	82,819	(9,820)	24,785	3,838,565
211,188	(1,487,881)	10,305	77,705	(135,438)	4,764,210
770,942	(983,808)	34,772	1,686	(60,956)	5,458,566
1,544,482	1,593,982	(484,637)	(206,455)	12,522	3,984,054
2,190,187	1,091,050	(516,125)	(946,283)	(295,576)	1,523,253
-	377,096	1,630,225	803,566	(1,043,418)	1,767,469
-	-	2,663,434	236,713	435,392	3,335,539
-	-	-	172,755	464,866	637,621
-	-	-	-	413,174	413,174
<b><u>\$ 2,901,790</u></b>	<b><u>\$ 496,206</u></b>	<b><u>\$ 3,410,165</u></b>	<b><u>\$ 129,867</u></b>	<b><u>\$ (184,649)</u></b>	<b><u>\$ 28,068,176</u></b>

## Michigan County Road Commission Self-Insurance Pool

Evaluation as of March 31:

Accident Year	1999	2000	2001	2002	2003
1999	\$ 10,232,855	\$ 6,905,288	\$ 1,884,604	\$ 228,304	\$ 228,304
2000	-	10,507,665	8,477,386	5,182,432	2,198,979
2001	-	-	10,406,426	6,544,467	3,125,000
2002	-	-	-	10,322,820	6,016,199
2003	-	-	-	-	11,677,864
2004	-	-	-	-	-
2005	-	-	-	-	-
2006	-	-	-	-	-
2007	-	-	-	-	-
2008	-	-	-	-	-
Total	<u>\$ 10,232,855</u>	<u>\$ 17,412,953</u>	<u>\$ 20,768,416</u>	<u>\$ 22,278,023</u>	<u>\$ 23,246,346</u>

Change in Incurred but not Reported Reserves During Year Ended March 31:

Accident Year	1999	2000	2001	2002	2003
1999	\$ 10,232,855	\$ (3,327,567)	\$ (5,020,684)	\$ (1,656,300)	\$ -
2000	-	10,507,665	(2,030,279)	(3,294,954)	(2,983,453)
2001	-	-	10,406,426	(3,861,959)	(3,419,467)
2002	-	-	-	10,322,820	(4,306,621)
2003	-	-	-	-	11,677,864
2004	-	-	-	-	-
2005	-	-	-	-	-
2006	-	-	-	-	-
2007	-	-	-	-	-
2008	-	-	-	-	-
Total	<u>\$ 10,232,855</u>	<u>\$ 7,180,098</u>	<u>\$ 3,355,463</u>	<u>\$ 1,509,607</u>	<u>\$ 968,323</u>

**Loss Development Through March 31, 2008**  
**\* Incurred But Not Reported Reserves: General Liability**

2004	2005	2006	2007	2008
\$ 111,616	\$ -	\$ -	\$ -	\$ -
690,871	2,292	-	-	-
752,986	716,173	104,899	-	-
1,519,375	1,272,407	144,318	-	93,383
7,447,160	2,582,624	768,380	25,040	80,668
11,502,856	7,106,447	1,945,946	620,384	143,075
-	11,840,056	6,259,538	2,138,600	896,208
-	-	8,374,846	5,624,331	2,186,245
-	-	-	9,127,689	5,352,671
-	-	-	-	7,694,262
<b><u>\$ 22,024,864</u></b>	<b><u>\$ 23,519,999</u></b>	<b><u>\$ 17,597,927</u></b>	<b><u>\$ 17,536,044</u></b>	<b><u>\$ 16,446,512</u></b>

2004	2005	2006	2007	2008	Total
\$ (116,688)	\$ (111,616)	\$ -	\$ -	\$ -	\$ -
(1,508,108)	(688,579)	(2,292)	-	-	-
(2,372,014)	(36,813)	(611,274)	(104,899)	-	-
(4,496,824)	(246,968)	(1,128,089)	(144,318)	93,383	93,383
(4,230,704)	(4,864,536)	(1,814,244)	(743,340)	55,628	80,668
11,502,856	(4,396,409)	(5,160,501)	(1,325,562)	(477,309)	143,075
-	11,840,056	(5,580,518)	(4,120,938)	(1,242,392)	896,208
-	-	8,374,846	(2,750,515)	(3,438,086)	2,186,245
-	-	-	9,127,689	(3,775,018)	5,352,671
-	-	-	-	7,694,262	7,694,262
<b><u>\$ (1,221,482)</u></b>	<b><u>\$ 1,495,135</u></b>	<b><u>\$ (5,922,072)</u></b>	<b><u>\$ (61,883)</u></b>	<b><u>\$ (1,089,532)</u></b>	<b><u>\$ 16,446,512</u></b>

# Michigan County Road Commission Self-Insurance Pool

## Loss Development Through March 31, 2008 Reported Claim Counts: General Liability

Evaluation as of March 31:

Accident Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
1999	38	58	76	76	79	79	79	79	79	79
2000	-	32	50	53	63	63	63	63	63	63
2001	-	-	29	68	88	92	92	92	92	92
2002	-	-	-	40	66	73	73	73	73	74
2003	-	-	-	-	51	66	75	76	76	76
2004	-	-	-	-	-	32	54	59	59	59
2005	-	-	-	-	-	-	26	45	54	55
2006	-	-	-	-	-	-	-	40	52	57
2007	-	-	-	-	-	-	-	-	27	43
2008	-	-	-	-	-	-	-	-	-	40
Total	<u>38</u>	<u>90</u>	<u>155</u>	<u>237</u>	<u>347</u>	<u>405</u>	<u>462</u>	<u>527</u>	<u>575</u>	<u>638</u>

## Michigan County Road Commission Self-Insurance Pool

### Loss Development Through March 31, 2008 Closed Claim Counts: General Liability

Evaluation as of March 31:

Accident Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
1999	29	40	53	73	78	78	79	79	79	79
2000	-	11	25	48	61	61	62	62	62	62
2001	-	-	18	70	80	83	90	91	91	92
2002	-	-	-	39	66	59	65	70	70	72
2003	-	-	-	-	45	47	64	73	75	75
2004	-	-	-	-	-	20	38	50	55	58
2005	-	-	-	-	-	-	15	32	43	49
2006	-	-	-	-	-	-	-	21	44	53
2007	-	-	-	-	-	-	-	-	20	36
2008	-	-	-	-	-	-	-	-	-	26
Total	<u>29</u>	<u>51</u>	<u>96</u>	<u>230</u>	<u>330</u>	<u>348</u>	<u>413</u>	<u>478</u>	<u>539</u>	<u>602</u>

## Michigan County Road Commission Self-Insurance Pool

Evaluation as of March 31:

Accident Year	1999	2000	2001	2002	2003
1999	\$ -	\$ 42,435	\$ 571,975	\$ 573,153	\$ 573,653
2000	-	74,725	287,836	458,075	537,268
2001	-	-	23,554	80,610	85,464
2002	-	-	-	34,539	54,235
2003	-	-	-	-	30,169
2004	-	-	-	-	-
2005	-	-	-	-	-
2006	-	-	-	-	-
2007	-	-	-	-	-
2008	-	-	-	-	-
Total	<u>\$ -</u>	<u>\$ 117,160</u>	<u>\$ 883,365</u>	<u>\$ 1,146,377</u>	<u>\$ 1,280,789</u>

Loss Payments During Year Ended March 31:

Accident Year	1999	2000	2001	2002	2003
1999	\$ -	\$ 42,435	\$ 529,540	\$ 1,178	\$ 500
2000	-	74,725	213,111	170,239	79,193
2001	-	-	23,554	57,056	4,854
2002	-	-	-	34,539	19,696
2003	-	-	-	-	30,169
2004	-	-	-	-	-
2005	-	-	-	-	-
2006	-	-	-	-	-
2007	-	-	-	-	-
2008	-	-	-	-	-
Total	<u>\$ -</u>	<u>\$ 117,160</u>	<u>\$ 766,205</u>	<u>\$ 263,012</u>	<u>\$ 134,412</u>

**Loss Development Through March 31, 2008**  
**Paid Losses: Trunkline Liability**

2004	2005	2006	2007	2008
\$ 573,653	\$ 573,653	\$ 584,716	\$ 584,716	\$ 584,716
1,025,976	1,034,734	1,050,344	1,050,344	1,050,344
109,786	664,379	666,889	666,889	666,889
76,479	209,392	381,353	381,353	381,353
34,380	85,756	452,605	453,700	453,700
71,493	182,888	618,065	757,338	755,501
-	5,123	124,814	124,814	144,813
-	-	33,000	74,137	75,902
-	-	-	61,778	92,820
-	-	-	-	80,757
<b>\$ 1,891,767</b>	<b>\$ 2,755,925</b>	<b>\$ 3,911,786</b>	<b>\$ 4,155,069</b>	<b>\$ 4,286,795</b>

2004	2005	2006	2007	2008	Total
\$ -	\$ -	\$ 11,063	\$ -	\$ -	\$ 584,716
488,708	8,758	15,610	-	-	1,050,344
24,322	554,593	2,510	-	-	666,889
22,244	132,913	171,961	-	-	381,353
4,211	51,376	366,849	1,095	-	453,700
71,493	111,395	435,177	139,273	(1,837)	755,501
-	5,123	119,691	-	19,999	144,813
-	-	33,000	41,137	1,765	75,902
-	-	-	61,778	31,042	92,820
-	-	-	-	80,757	80,757
<b>\$ 610,978</b>	<b>\$ 864,158</b>	<b>\$ 1,155,861</b>	<b>\$ 243,283</b>	<b>\$ 131,726</b>	<b>\$ 4,286,795</b>



## Michigan County Road Commission Self-Insurance Pool

Evaluation as of March 31:

Accident Year	1999	2000	2001	2002	2003
1999	\$ -	\$ -	\$ -	\$ -	\$ -
2000	-	17,500	-	42,564	87,129
2001	-	-	-	-	11,000
2002	-	-	-	-	-
2003	-	-	-	-	-
2004	-	-	-	-	-
2005	-	-	-	-	-
2006	-	-	-	-	-
2007	-	-	-	-	-
2008	-	-	-	-	-
Total	<u>\$ -</u>	<u>\$ 17,500</u>	<u>\$ -</u>	<u>\$ 42,564</u>	<u>\$ 98,129</u>

Change in Case Reserves During Year Ended March 31:

Accident Year	1999	2000	2001	2002	2003
1999	\$ -	\$ -	\$ -	\$ -	\$ -
2000	-	17,500	(17,500)	42,564	44,565
2001	-	-	-	-	11,000
2002	-	-	-	-	-
2003	-	-	-	-	-
2004	-	-	-	-	-
2005	-	-	-	-	-
2006	-	-	-	-	-
2007	-	-	-	-	-
2008	-	-	-	-	-
Total	<u>\$ -</u>	<u>\$ 17,500</u>	<u>\$ (17,500)</u>	<u>\$ 42,564</u>	<u>\$ 55,565</u>

**Loss Development Through March 31, 2008**  
**Case Reserves: Trunkline Liability**

2004	2005	2006	2007	2008
\$ -	\$ -	\$ -	\$ -	\$ -
32,585	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	966,084	-	-	-
-	373,988	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 32,585</u>	<u>\$ 1,340,072</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

2004	2005	2006	2007	2008	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(54,544)	(32,585)	-	-	-	-
(11,000)	-	-	-	-	-
-	-	-	-	-	-
-	966,084	(966,084)	-	-	-
-	373,988	(373,988)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ (65,544)</u>	<u>\$ 1,307,487</u>	<u>\$ (1,340,072)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## Michigan County Road Commission Self-Insurance Pool

Evaluation as of March 31:

Accident Year	1999	2000	2001	2002	2003
1999	\$ -	\$ 42,435	\$ 571,975	\$ 573,153	\$ 573,653
2000	-	92,225	287,836	500,639	624,397
2001	-	-	23,554	80,610	96,464
2002	-	-	-	34,539	54,235
2003	-	-	-	-	30,169
2004	-	-	-	-	-
2005	-	-	-	-	-
2006	-	-	-	-	-
2007	-	-	-	-	-
2008	-	-	-	-	-
Total	<u>\$ -</u>	<u>\$ 134,660</u>	<u>\$ 883,365</u>	<u>\$ 1,188,941</u>	<u>\$ 1,378,918</u>

Incremental Losses Reported During Year Ended March 31:

Accident Year	1999	2000	2001	2002	2003
1999	\$ -	\$ 42,435	\$ 529,540	\$ 1,178	\$ 500
2000	-	92,225	195,611	212,803	123,758
2001	-	-	23,554	57,056	15,854
2002	-	-	-	34,539	19,696
2003	-	-	-	-	30,169
2004	-	-	-	-	-
2005	-	-	-	-	-
2006	-	-	-	-	-
2007	-	-	-	-	-
2008	-	-	-	-	-
Total	<u>\$ -</u>	<u>\$ 134,660</u>	<u>\$ 748,705</u>	<u>\$ 305,576</u>	<u>\$ 189,977</u>

**Loss Development Through March 31, 2008**  
**Reported Losses (Paid Losses Plus Case Reserves): Trunkline Liability**

2004	2005	2006	2007	2008
\$ 573,653	\$ 573,653	\$ 584,716	\$ 584,716	\$ 584,716
1,058,561	1,034,734	1,050,344	1,050,344	1,050,344
109,786	664,379	666,889	666,889	666,889
76,479	209,392	381,353	381,353	381,353
34,380	1,051,840	452,605	453,700	453,700
71,493	556,876	618,065	757,338	755,501
-	5,123	124,814	124,814	144,813
-	-	33,000	74,137	75,902
-	-	-	61,778	92,820
-	-	-	-	80,757
<b><u>\$ 1,924,352</u></b>	<b><u>\$ 4,095,997</u></b>	<b><u>\$ 3,911,786</u></b>	<b><u>\$ 4,155,069</u></b>	<b><u>\$ 4,286,795</u></b>

2004	2005	2006	2007	2008	Total
\$ -	\$ -	\$ 11,063	\$ -	\$ -	\$ 584,716
434,164	(23,827)	15,610	-	-	1,050,344
13,322	554,593	2,510	-	-	666,889
22,244	132,913	171,961	-	-	381,353
4,211	1,017,460	(599,235)	1,095	-	453,700
71,493	485,383	61,189	139,273	(1,837)	755,501
-	5,123	119,691	-	19,999	144,813
-	-	33,000	41,137	1,765	75,902
-	-	-	61,778	31,042	92,820
-	-	-	-	80,757	80,757
<b><u>\$ 545,434</u></b>	<b><u>\$ 2,171,645</u></b>	<b><u>\$ (184,211)</u></b>	<b><u>\$ 243,283</u></b>	<b><u>\$ 131,726</u></b>	<b><u>\$ 4,286,795</u></b>

## Michigan County Road Commission Self-Insurance Pool

### Loss Development Through March 31, 2008 Reported Claim Counts: Trunkline Liability

Evaluation as of March 31:

Accident Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
1999	-	5	5	8	15	15	15	15	15	15
2000	-	3	3	13	26	26	26	26	26	26
2001	-	-	2	9	22	22	22	22	22	22
2002	-	-	-	11	28	28	28	28	28	28
2003	-	-	-	-	18	20	23	23	23	23
2004	-	-	-	-	-	27	33	35	35	35
2005	-	-	-	-	-	-	20	25	27	27
2006	-	-	-	-	-	-	-	11	14	14
2007	-	-	-	-	-	-	-	-	30	36
2008	-	-	-	-	-	-	-	-	-	38
Total	<u>-</u>	<u>8</u>	<u>10</u>	<u>41</u>	<u>109</u>	<u>138</u>	<u>167</u>	<u>185</u>	<u>220</u>	<u>264</u>

## Michigan County Road Commission Self-Insurance Pool

### Loss Development Through March 31, 2008 Closed Claim Counts: Trunkline Liability

Evaluation as of March 31:

Accident Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
1999	-	5	5	5	15	15	15	15	15	15
2000	-	1	1	1	19	25	26	26	26	26
2001	-	-	1	2	21	21	22	22	22	22
2002	-	-	-	-	20	24	28	28	28	28
2003	-	-	-	-	1	19	20	23	23	23
2004	-	-	-	-	-	18	28	32	35	35
2005	-	-	-	-	-	-	17	25	25	27
2006	-	-	-	-	-	-	-	11	14	14
2007	-	-	-	-	-	-	-	-	25	36
2008	-	-	-	-	-	-	-	-	-	38
Total	<u>-</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>76</u>	<u>122</u>	<u>156</u>	<u>182</u>	<u>213</u>	<u>264</u>

## Michigan County Road Commission Self-Insurance Pool

Evaluation as of March 31:

Accident Year	1999	2000	2001	2002	2003
1999	\$ 227,835	\$ 291,465	\$ 657,559	\$ 720,690	\$ 817,935
2000	-	41,974	130,490	130,490	130,490
2001	-	-	12,448	206,081	377,528
2002	-	-	-	21,346	83,412
2003	-	-	-	-	25,108
2004	-	-	-	-	-
2005	-	-	-	-	-
2006	-	-	-	-	-
2007	-	-	-	-	-
2008	-	-	-	-	-
Total	<u>\$ 227,835</u>	<u>\$ 333,439</u>	<u>\$ 800,497</u>	<u>\$ 1,078,607</u>	<u>\$ 1,434,473</u>

Loss Payments (Recoveries) During Year Ended March 31:

Accident Year	1999	2000	2001	2002	2003
1999	\$ 227,835	\$ 63,630	\$ 366,094	\$ 63,131	\$ 97,245
2000	-	41,974	88,516	-	-
2001	-	-	12,448	193,633	171,447
2002	-	-	-	21,346	62,066
2003	-	-	-	-	25,108
2004	-	-	-	-	-
2005	-	-	-	-	-
2006	-	-	-	-	-
2007	-	-	-	-	-
2008	-	-	-	-	-
Total	<u>\$ 227,835</u>	<u>\$ 105,604</u>	<u>\$ 467,058</u>	<u>\$ 278,110</u>	<u>\$ 355,866</u>

**Loss Development Through March 31, 2008**  
**Paid Losses: Errors and Omissions**

2004	2005	2006	2007	2008
\$ 765,164	\$ 765,164	\$ 765,164	\$ 765,164	\$ 765,164
130,490	130,490	130,490	130,490	130,490
378,056	378,056	378,056	378,056	378,056
182,429	182,429	182,429	182,429	182,429
112,414	128,319	138,370	161,528	161,438
13,898	227,612	227,887	227,887	227,887
-	44,027	97,656	242,474	242,474
-	-	208,420	560,478	778,759
-	-	-	95,584	151,952
-	-	-	-	115,777
<b><u>\$ 1,582,451</u></b>	<b><u>\$ 1,856,097</u></b>	<b><u>\$ 2,128,472</u></b>	<b><u>\$ 2,744,090</u></b>	<b><u>\$ 3,134,426</u></b>

2004	2005	2006	2007	2008	Total
\$ (52,771)	\$ -	\$ -	\$ -	\$ -	\$ 765,164
-	-	-	-	-	130,490
528	-	-	-	-	378,056
99,017	-	-	-	-	182,429
87,306	15,905	10,051	23,158	(90)	161,438
13,898	213,714	275	-	-	227,887
-	44,027	53,629	144,818	-	242,474
-	-	208,420	352,058	218,281	778,759
-	-	-	95,584	56,368	151,952
-	-	-	-	115,777	115,777
<b><u>\$ 147,978</u></b>	<b><u>\$ 273,646</u></b>	<b><u>\$ 272,375</u></b>	<b><u>\$ 615,618</u></b>	<b><u>\$ 390,336</u></b>	<b><u>\$ 3,134,426</u></b>



## Michigan County Road Commission Self-Insurance Pool

Evaluation as of March 31:

Accident Year	1999	2000	2001	2002	2003
1999	\$ 227,835	\$ 291,465	\$ 657,559	\$ 720,690	\$ 817,935
2000	-	41,974	130,490	130,490	130,490
2001	-	-	12,448	206,081	377,528
2002	-	-	-	21,346	83,412
2003	-	-	-	-	25,108
2004	-	-	-	-	-
2005	-	-	-	-	-
2006	-	-	-	-	-
2007	-	-	-	-	-
2008	-	-	-	-	-
Total	<u>\$ 227,835</u>	<u>\$ 333,439</u>	<u>\$ 800,497</u>	<u>\$ 1,078,607</u>	<u>\$ 1,434,473</u>

Change in Case Reserves During Year Ended March 31:

Accident Year	1999	2000	2001	2002	2003
1999	\$ 227,835	\$ 63,630	\$ 366,094	\$ 63,131	\$ 97,245
2000	-	41,974	88,516	-	-
2001	-	-	12,448	193,633	171,447
2002	-	-	-	21,346	62,066
2003	-	-	-	-	25,108
2004	-	-	-	-	-
2005	-	-	-	-	-
2006	-	-	-	-	-
2007	-	-	-	-	-
2008	-	-	-	-	-
Total	<u>\$ 227,835</u>	<u>\$ 105,604</u>	<u>\$ 467,058</u>	<u>\$ 278,110</u>	<u>\$ 355,866</u>

**Loss Development Through March 31, 2008**  
**Case Reserves: Errors and Omissions**

2004	2005	2006	2007	2008
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
378,056	-	-	-	-
182,429	182,429	-	-	-
112,414	128,319	123,003	-	-
13,898	227,612	-	-	-
-	44,027	32,880	-	-
-	-	453,158	311,813	332,629
-	-	-	245,907	35,657
-	-	-	-	607,220
<u>\$ 686,797</u>	<u>\$ 582,387</u>	<u>\$ 609,041</u>	<u>\$ 557,720</u>	<u>\$ 975,506</u>

2004	2005	2006	2007	2008	Total
\$ (817,935)	\$ -	\$ -	\$ -	\$ -	\$ -
(130,490)	-	-	-	-	-
528	(378,056)	-	-	-	-
99,017	-	(182,429)	-	-	-
87,306	15,905	(5,316)	(123,003)	-	-
13,898	213,714	(227,612)	-	-	-
-	44,027	(11,147)	(32,880)	-	-
-	-	453,158	(141,345)	20,816	332,629
-	-	-	245,907	(210,250)	35,657
-	-	-	-	607,220	607,220
<u>\$ (747,676)</u>	<u>\$ (104,410)</u>	<u>\$ 26,654</u>	<u>\$ (51,321)</u>	<u>\$ 417,786</u>	<u>\$ 975,506</u>

## Michigan County Road Commission Self-Insurance Pool

Evaluation as of March 31:

Accident Year	1999	2000	2001	2002	2003
1999	\$ 455,670	\$ 582,930	\$ 1,315,118	\$ 1,441,380	\$ 1,635,870
2000	-	83,948	260,980	260,980	260,980
2001	-	-	24,896	412,162	755,056
2002	-	-	-	42,692	166,824
2003	-	-	-	-	50,216
2004	-	-	-	-	-
2005	-	-	-	-	-
2006	-	-	-	-	-
2007	-	-	-	-	-
2008	-	-	-	-	-
Total	<u>\$ 455,670</u>	<u>\$ 666,878</u>	<u>\$ 1,600,994</u>	<u>\$ 2,157,214</u>	<u>\$ 2,868,946</u>

Incremental Losses Reported During Year Ended March 31:

Accident Year	1999	2000	2001	2002	2003
1999	\$ 455,670	\$ 127,260	\$ 732,188	\$ 126,262	\$ 194,490
2000	-	83,948	177,032	-	-
2001	-	-	24,896	387,266	342,894
2002	-	-	-	42,692	124,132
2003	-	-	-	-	50,216
2004	-	-	-	-	-
2005	-	-	-	-	-
2006	-	-	-	-	-
2007	-	-	-	-	-
2008	-	-	-	-	-
Total	<u>\$ 455,670</u>	<u>\$ 211,208</u>	<u>\$ 934,116</u>	<u>\$ 556,220</u>	<u>\$ 711,732</u>

**Loss Development Through March 31, 2008**  
**Reported Losses (Paid Losses Plus Case Reserves): Errors and Omissions**

2004	2005	2006	2007	2008
\$ 765,164	\$ 765,164	\$ 765,164	\$ 765,164	\$ 765,164
130,490	130,490	130,490	130,490	130,490
756,112	378,056	378,056	378,056	378,056
364,858	364,858	182,429	182,429	182,429
224,828	256,638	261,373	161,528	161,438
27,796	455,224	227,887	227,887	227,887
-	88,054	130,536	242,474	242,474
-	-	661,578	872,291	1,111,388
-	-	-	341,491	187,609
-	-	-	-	722,997
<b><u>\$ 2,269,248</u></b>	<b><u>\$ 2,438,484</u></b>	<b><u>\$ 2,737,513</u></b>	<b><u>\$ 3,301,810</u></b>	<b><u>\$ 4,109,932</u></b>

2004	2005	2006	2007	2008	Total
\$ (870,706)	\$ -	\$ -	\$ -	\$ -	\$ 765,164
(130,490)	-	-	-	-	130,490
1,056	(378,056)	-	-	-	378,056
198,034	-	(182,429)	-	-	182,429
174,612	31,810	4,735	(99,845)	(90)	161,438
27,796	427,428	(227,337)	-	-	227,887
-	88,054	42,482	111,938	-	242,474
-	-	661,578	210,713	239,097	1,111,388
-	-	-	341,491	(153,882)	187,609
-	-	-	-	722,997	722,997
<b><u>\$ (599,698)</u></b>	<b><u>\$ 169,236</u></b>	<b><u>\$ 299,029</u></b>	<b><u>\$ 564,297</u></b>	<b><u>\$ 808,122</u></b>	<b><u>\$ 4,109,932</u></b>

## Michigan County Road Commission Self-Insurance Pool

Evaluation as of March 31:

Accident Year	1999	2000	2001	2002	2003
1999	\$ 1,089,218	\$ 1,088,409	\$ 2,376,074	\$ 1,697,345	\$ 65,716
2000	-	461,491	383,623	-	-
2001	-	-	601,118	284,689	-
2002	-	-	-	653,560	429,778
2003	-	-	-	-	634,892
2004	-	-	-	-	-
2005	-	-	-	-	-
2006	-	-	-	-	-
2007	-	-	-	-	-
2008	-	-	-	-	-
Total	<u>\$ 1,089,218</u>	<u>\$ 1,549,900</u>	<u>\$ 3,360,815</u>	<u>\$ 2,635,594</u>	<u>\$ 1,130,386</u>

Change in Incurred but not Reported Reserves During Year Ended March 31:

Accident Year	1999	2000	2001	2002	2003
1999	\$ 1,089,218	\$ (809)	\$ 1,287,665	\$ (678,729)	\$ (1,631,629)
2000	-	461,491	(77,868)	(383,623)	-
2001	-	-	601,118	(316,429)	(284,689)
2002	-	-	-	653,560	(223,782)
2003	-	-	-	-	634,892
2004	-	-	-	-	-
2005	-	-	-	-	-
2006	-	-	-	-	-
2007	-	-	-	-	-
2008	-	-	-	-	-
Total	<u>\$ 1,089,218</u>	<u>\$ 460,682</u>	<u>\$ 1,810,915</u>	<u>\$ (725,221)</u>	<u>\$ (1,505,208)</u>

**Loss Development Through March 31, 2008**  
**Incurred But Not Reported Reserves: Errors and Omissions**

2004	2005	2006	2007	2008
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
101,538	-	-	-	-
474,917	192,163	174	-	-
913,272	390,824	17,176	-	-
-	814,973	155,311	11,505	-
-	-	387,405	353,072	26,281
-	-	-	428,750	260,985
-	-	-	-	368,600
<b><u>\$ 1,489,727</u></b>	<b><u>\$ 1,397,960</u></b>	<b><u>\$ 560,066</u></b>	<b><u>\$ 793,327</u></b>	<b><u>\$ 655,866</u></b>

2004	2005	2006	2007	2008	Total
\$ (65,716)	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
(328,240)	(101,538)	-	-	-	-
(159,975)	(282,754)	(191,989)	(174)	-	-
913,272	(522,448)	(373,648)	(17,176)	-	-
-	814,973	(659,662)	(143,806)	(11,505)	-
-	-	387,405	(34,333)	(326,791)	26,281
-	-	-	428,750	(167,765)	260,985
-	-	-	-	368,600	368,600
<b><u>\$ 359,341</u></b>	<b><u>\$ (91,767)</u></b>	<b><u>\$ (837,894)</u></b>	<b><u>\$ 233,261</u></b>	<b><u>\$ (137,461)</u></b>	<b><u>\$ 655,866</u></b>

# Michigan County Road Commission Self-Insurance Pool

## Loss Development Through March 31, 2008 Reported Claim Counts: Errors and Omissions

Evaluation as of March 31:

Accident Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
1999	9	9	9	9	9	9	9	9	9	9
2000	-	10	10	10	10	10	10	10	10	10
2001	-	-	8	9	10	10	10	10	10	10
2002	-	-	-	7	7	7	7	7	7	7
2003	-	-	-	-	5	5	5	5	5	5
2004	-	-	-	-	-	4	4	4	4	4
2005	-	-	-	-	-	-	9	9	11	11
2006	-	-	-	-	-	-	-	14	15	15
2007	-	-	-	-	-	-	-	-	8	8
2008	-	-	-	-	-	-	-	-	-	10
Total	<u>9</u>	<u>19</u>	<u>27</u>	<u>35</u>	<u>41</u>	<u>45</u>	<u>54</u>	<u>68</u>	<u>79</u>	<u>89</u>

## Michigan County Road Commission Self-Insurance Pool

### Loss Development Through March 31, 2008 Closed Claims Counts: Error and Omissions

Evaluation as of March 31:

Accident Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
1999	5	7	7	7	8	9	9	9	9	9
2000	-	7	9	10	10	10	10	10	10	10
2001	-	-	2	8	10	10	10	10	10	10
2002	-	-	-	2	5	6	7	7	7	7
2003	-	-	-	-	1	3	4	4	5	5
2004	-	-	-	-	-	-	3	4	4	4
2005	-	-	-	-	-	-	4	8	11	11
2006	-	-	-	-	-	-	-	4	11	13
2007	-	-	-	-	-	-	-	-	1	7
2008	-	-	-	-	-	-	-	-	-	2
Total	<u>5</u>	<u>14</u>	<u>18</u>	<u>27</u>	<u>34</u>	<u>38</u>	<u>47</u>	<u>56</u>	<u>68</u>	<u>78</u>



## Michigan County Road Commission Self-Insurance Pool

Evaluation as of March 31:

Accident Year	1999	2000	2001	2002	2003
1999	\$ 266,920	\$ 430,928	\$ 430,928	\$ 430,928	\$ 430,928
2000	-	480,216	600,976	600,476	600,100
2001	-	-	421,261	491,082	492,152
2002	-	-	-	458,361	824,102
2003	-	-	-	-	1,364,013
2004	-	-	-	-	-
2005	-	-	-	-	-
2006	-	-	-	-	-
2007	-	-	-	-	-
2008	-	-	-	-	-
Total	<u>\$ 266,920</u>	<u>\$ 911,144</u>	<u>\$ 1,453,165</u>	<u>\$ 1,980,847</u>	<u>\$ 3,711,295</u>

Loss Payments (Recoveries) During Year Ended March 31:

Accident Year	1999	2000	2001	2002	2003
1999	\$ 266,920	\$ 164,008	\$ -	\$ -	\$ -
2000	-	480,216	120,760	(500)	(376)
2001	-	-	421,261	69,821	1,070
2002	-	-	-	458,361	365,741
2003	-	-	-	-	1,364,013
2004	-	-	-	-	-
2005	-	-	-	-	-
2006	-	-	-	-	-
2007	-	-	-	-	-
2008	-	-	-	-	-
Total	<u>\$ 266,920</u>	<u>\$ 644,224</u>	<u>\$ 542,021</u>	<u>\$ 527,682</u>	<u>\$ 1,730,448</u>

**Loss Development Through March 31, 2008**  
**Paid Losses: Property**

2004	2005	2006	2007	2008
\$ 430,928	\$ 430,928	\$ 432,078	\$ 432,078	\$ 432,078
600,100	600,100	600,100	600,100	600,100
564,492	564,492	562,873	562,873	562,873
824,102	824,102	653,131	653,131	653,131
1,746,352	1,746,352	1,499,219	1,499,219	1,499,219
965,445	1,271,491	1,142,751	1,142,202	1,141,602
-	748,957	1,201,691	1,201,991	1,201,991
-	-	923,647	1,209,634	1,211,434
-	-	-	695,276	797,061
-	-	-	-	718,129
<b><u>\$ 5,131,419</u></b>	<b><u>\$ 6,186,422</u></b>	<b><u>\$ 7,015,490</u></b>	<b><u>\$ 7,996,504</u></b>	<b><u>\$ 8,817,618</u></b>

2004	2005	2006	2007	2008	Total
\$ -	\$ -	\$ 1,150	\$ -	\$ -	\$ 432,078
-	-	-	-	-	600,100
72,340	-	(1,619)	-	-	562,873
-	-	(170,971)	-	-	653,131
382,339	-	(247,133)	-	-	1,499,219
965,445	306,046	(128,740)	(549)	(600)	1,141,602
-	748,957	452,734	300	-	1,201,991
-	-	923,647	285,987	1,800	1,211,434
-	-	-	695,276	101,785	797,061
-	-	-	-	718,129	718,129
<b><u>\$ 1,420,124</u></b>	<b><u>\$ 1,055,003</u></b>	<b><u>\$ 829,068</u></b>	<b><u>\$ 981,014</u></b>	<b><u>\$ 821,114</u></b>	<b><u>\$ 8,817,618</u></b>

## Michigan County Road Commission Self-Insurance Pool

Evaluation as of March 31:

Accident Year	1999	2000	2001	2002	2003
1999	\$ 101,785	\$ -	\$ -	\$ -	\$ -
2000	-	952,121	-	-	-
2001	-	-	11,499	85,028	85,028
2002	-	-	-	196,548	-
2003	-	-	-	-	84,269
2004	-	-	-	-	-
2005	-	-	-	-	-
2006	-	-	-	-	-
2007	-	-	-	-	-
2008	-	-	-	-	-
Total	<u>\$ 101,785</u>	<u>\$ 952,121</u>	<u>\$ 11,499</u>	<u>\$ 281,576</u>	<u>\$ 169,297</u>

Change in Case Reserves During Year Ended March 31:

Accident Year	1999	2000	2001	2002	2003
1999	\$ 101,785	\$ (101,785)	\$ -	\$ -	\$ -
2000	-	952,121	(952,121)	-	-
2001	-	-	11,499	73,529	-
2002	-	-	-	196,548	(196,548)
2003	-	-	-	-	84,269
2004	-	-	-	-	-
2005	-	-	-	-	-
2006	-	-	-	-	-
2007	-	-	-	-	-
2008	-	-	-	-	-
Total	<u>\$ 101,785</u>	<u>\$ 850,336</u>	<u>\$ (940,622)</u>	<u>\$ 270,077</u>	<u>\$ (112,279)</u>

**Loss Development Through March 31, 2008**  
**Case Reserves: Property**

2004	2005	2006	2007	2008
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
207,103	-	-	-	-
-	237,037	-	-	-
-	-	150,293	2,840	-
-	-	-	92,304	2,045
-	-	-	-	405,533
<u>\$ 207,103</u>	<u>\$ 237,037</u>	<u>\$ 150,293</u>	<u>\$ 95,144</u>	<u>\$ 407,578</u>

2004	2005	2006	2007	2008	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
(85,028)	-	-	-	-	-
-	-	-	-	-	-
(84,269)	-	-	-	-	-
207,103	(207,103)	-	-	-	-
-	237,037	(237,037)	-	-	-
-	-	150,293	(147,453)	(2,840)	-
-	-	-	92,304	(90,259)	2,045
-	-	-	-	405,533	405,533
<u>\$ 37,806</u>	<u>\$ 29,934</u>	<u>\$ (86,744)</u>	<u>\$ (55,149)</u>	<u>\$ 312,434</u>	<u>\$ 407,578</u>

## Michigan County Road Commission Self-Insurance Pool

Evaluation as of March 31:

Accident Year	1999	2000	2001	2002	2003
1999	\$ 368,705	\$ 430,928	\$ 430,928	\$ 430,928	\$ 430,928
2000	-	1,432,337	600,976	600,476	600,100
2001	-	-	432,760	576,110	577,180
2002	-	-	-	654,909	824,102
2003	-	-	-	-	1,448,282
2004	-	-	-	-	-
2005	-	-	-	-	-
2006	-	-	-	-	-
2007	-	-	-	-	-
2008	-	-	-	-	-
Total	<u>\$ 368,705</u>	<u>\$ 1,863,265</u>	<u>\$ 1,464,664</u>	<u>\$ 2,262,423</u>	<u>\$ 3,880,592</u>

Incremental Losses Reported During Year Ended March 31:

Accident Year	1999	2000	2001	2002	2003
1999	\$ 368,705	\$ 62,223	\$ -	\$ -	\$ -
2000	-	1,432,337	(831,361)	(500)	(376)
2001	-	-	432,760	143,350	1,070
2002	-	-	-	654,909	169,193
2003	-	-	-	-	1,448,282
2004	-	-	-	-	-
2005	-	-	-	-	-
2006	-	-	-	-	-
2007	-	-	-	-	-
2008	-	-	-	-	-
Total	<u>\$ 368,705</u>	<u>\$ 1,494,560</u>	<u>\$ (398,601)</u>	<u>\$ 797,759</u>	<u>\$ 1,618,169</u>

**Loss Development Through March 31, 2008**  
**Reported Losses (Paid Losses Plus Case Reserves): Property**

2004	2005	2006	2007	2008
\$ 430,928	\$ 430,928	\$ 432,078	\$ 432,078	\$ 432,078
600,100	600,100	600,100	600,100	600,100
564,492	564,492	562,873	562,873	562,873
824,102	824,102	653,131	653,131	653,131
1,746,352	1,746,352	1,499,219	1,499,219	1,499,219
1,172,548	1,271,491	1,142,751	1,142,202	1,141,602
-	985,994	1,201,691	1,201,991	1,201,991
-	-	1,073,940	1,212,474	1,211,434
-	-	-	787,580	799,106
-	-	-	-	1,123,662
<b><u>\$ 5,338,522</u></b>	<b><u>\$ 6,423,459</u></b>	<b><u>\$ 7,165,783</u></b>	<b><u>\$ 8,091,648</u></b>	<b><u>\$ 9,225,196</u></b>

2004	2005	2006	2007	2008	Total
\$ -	\$ -	\$ 1,150	\$ -	\$ -	\$ 432,078
-	-	-	-	-	600,100
(12,688)	-	(1,619)	-	-	562,873
-	-	(170,971)	-	-	653,131
298,070	-	(247,133)	-	-	1,499,219
1,172,548	98,943	(128,740)	(549)	(600)	1,141,602
-	985,994	215,697	300	-	1,201,991
-	-	1,073,940	138,534	(1,040)	1,211,434
-	-	-	787,580	11,526	799,106
-	-	-	-	1,123,662	1,123,662
<b><u>\$ 1,457,930</u></b>	<b><u>\$ 1,084,937</u></b>	<b><u>\$ 742,324</u></b>	<b><u>\$ 925,865</u></b>	<b><u>\$ 1,133,548</u></b>	<b><u>\$ 9,225,196</u></b>

## Michigan County Road Commission Self-Insurance Pool

Evaluation as of March 31:

Accident Year	1999	2000	2001	2002	2003
1999	\$ 287,147	\$ 134,424	\$ -	\$ -	\$ -
2000	-	132,672	32,470	-	-
2001	-	-	277,696	5,600	-
2002	-	-	-	144,180	35,708
2003	-	-	-	-	366,758
2004	-	-	-	-	-
2005	-	-	-	-	-
2006	-	-	-	-	-
2007	-	-	-	-	-
2008	-	-	-	-	-
Total	<u>\$ 287,147</u>	<u>\$ 267,096</u>	<u>\$ 310,166</u>	<u>\$ 149,780</u>	<u>\$ 402,466</u>

Change in Incurred but not Reported Reserves During Year Ended March 31:

Accident Year	1999	2000	2001	2002	2003
1999	\$ 287,147	\$ (152,723)	\$ (134,424)	\$ -	\$ -
2000	-	132,672	(100,202)	(32,470)	-
2001	-	-	277,696	(272,096)	(5,600)
2002	-	-	-	144,180	(108,472)
2003	-	-	-	-	366,758
2004	-	-	-	-	-
2005	-	-	-	-	-
2006	-	-	-	-	-
2007	-	-	-	-	-
2008	-	-	-	-	-
Total	<u>\$ 287,147</u>	<u>\$ (20,051)</u>	<u>\$ 43,070</u>	<u>\$ (160,386)</u>	<u>\$ 252,686</u>

**Loss Development Through March 31, 2008  
Incurred But Not Reported Reserves: Property**

2004	2005	2006	2007	2008
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
20,581	-	-	-	-
275,358	84,531	-	-	-
-	287,879	52,148	-	-
-	-	876,807	129,443	-
-	-	-	946,305	128,633
-	-	-	-	749,213
<b><u>\$ 295,939</u></b>	<b><u>\$ 372,410</u></b>	<b><u>\$ 928,955</u></b>	<b><u>\$ 1,075,748</u></b>	<b><u>\$ 877,846</u></b>

2004	2005	2006	2007	2008	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
(35,708)	-	-	-	-	-
(346,177)	(20,581)	-	-	-	-
275,358	(190,827)	(84,531)	-	-	-
-	287,879	(235,731)	(52,148)	-	-
-	-	876,807	(747,364)	(129,443)	-
-	-	-	946,305	(817,672)	128,633
-	-	-	-	749,213	749,213
<b><u>\$ (106,527)</u></b>	<b><u>\$ 76,471</u></b>	<b><u>\$ 556,545</u></b>	<b><u>\$ 146,793</u></b>	<b><u>\$ (197,902)</u></b>	<b><u>\$ 877,846</u></b>



# Michigan County Road Commission Self-Insurance Pool

## Loss Development Through March 31, 2008 Reported Claim Counts: Property

Evaluation as of March 31:

Accident Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
1999	48	86	86	86	86	86	86	86	86	86
2000	-	53	80	80	80	80	80	80	80	80
2001	-	-	68	89	89	89	89	89	89	89
2002	-	-	-	77	120	120	120	120	120	120
2003	-	-	-	-	69	111	111	111	111	111
2004	-	-	-	-	-	106	125	125	125	125
2005	-	-	-	-	-	-	105	112	112	112
2006	-	-	-	-	-	-	-	100	114	113
2007	-	-	-	-	-	-	-	-	104	111
2008	-	-	-	-	-	-	-	-	-	114
Total	<u>48</u>	<u>139</u>	<u>234</u>	<u>332</u>	<u>444</u>	<u>592</u>	<u>716</u>	<u>823</u>	<u>941</u>	<u>1,061</u>

## Michigan County Road Commission Self-Insurance Pool

### Loss Development Through March 31, 2008 Closed Claim Counts: Property

Evaluation as of March 31:

Accident Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
1999	38	79	86	86	86	86	86	86	86	86
2000	-	52	80	80	80	80	80	80	80	80
2001	-	-	67	67	74	89	89	89	89	89
2002	-	-	-	63	97	120	120	120	120	120
2003	-	-	-	-	65	111	111	111	111	111
2004	-	-	-	-	-	90	125	125	125	125
2005	-	-	-	-	-	-	84	112	112	112
2006	-	-	-	-	-	-	-	80	113	113
2007	-	-	-	-	-	-	-	-	93	109
2008	-	-	-	-	-	-	-	-	-	79
Total	<u>38</u>	<u>131</u>	<u>233</u>	<u>296</u>	<u>402</u>	<u>576</u>	<u>695</u>	<u>803</u>	<u>929</u>	<u>1,024</u>